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THE REVENUE ACT OF 1918

ON May 27, 1918, the day the first news of the renewed German offensive reached Washington, President Wilson suddenly appeared before Congress to urge the enactment of a new revenue law. By this action he put an end to the controversy which had arisen between Congress and the Treasury regarding the deficiencies of the War Revenue Act of 1917 and the necessity for additional revenues. Bowing to his dictum with regard to the urgency of the situation,[1] the Committee on Ways and Means resigned itself to the prospect of spending a Washington summer in the conference room and addressed itself without delay to the task of framing a tax bill which would produce the enormous total of $8,000,000,000. Hearings were inaugurated June 6, but it was not until September 3 that the committee found itself able to introduce the first draft of the Revenue Act of 1918 into the House of Representatives. After a debate of the most perfunctory character the House passed the bill on September 20.

[1] Mr. Kitchen, the chairman of the Committee on Ways and Means, at first declined to consider the situation urgent and attributed the agitation for a new revenue law to the evil machinations of the publishers who desired a repeal of the postal zone laws. The publishers, he charged, had been able to bring pressure to bear upon the advisors of the Secretary of the Treasury. Mr. McAdoo's indignant denial needs no further support but it may be well in the interests of historical accuracy to record here that, so far as the original initiation of the movement for a new law is concerned, the postal rates had no influence whatsoever. A number of factors, of course, entered into the situation, no one of which, perhaps, was of so great weight as the reluctance of the Treasury to attempt to collect the excess-profits tax another year without legislative sanction for some of the courageous administrative rulings which had been necessary in order to make the bungling law workable at all.

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It had been hoped that the new tax legislation would be on the statute book before the new loan campaign, but the Fourth Liberty Loan had to be floated without the assistance which might have come from a definite knowledge on the part of people regarding their tax obligations. The election found the bill in the hands of the Finance Committee of the Senate, which proceeded in a leisurely fashion to rewrite the entire instrument. It was still in the hands of the committee when the signing of the armistice completely transformed the financial outlook and greatly simplified the task of making possible a reduction in the contemplated yield of the act from eight to six billions. December 6 had come before the committee reported the bill to the Senate, and in view of the prospect of considerable debate on the floor, grave doubt arose whether the bill could be enacted before the Commissioner of Internal Revenue would find himself obliged to proceed to the collection of the income and excess-profits taxes under the previous statute. The Senate was finally able to bring the bill to a vote on December 23, on the eve of the Christmas holiday, after which it was sent to conference. There for more than a month a bitter struggle ensued, which was brought to an end by the usual process of mutual compromise. So, finally, the Revenue Act of 1918 was passed by Congress on February 13, 1919,[1] a month and a half after the close of the year in which the incomes which it taxed had been acquired.

The long delay of Congress, although perhaps excusable to some degree, brought about a most unfortunate situation. The internal revenue force, by dint of heroic efforts, was able hastily to prepare the forms and regulations and to avoid a general postponement of the date for filing returns. But the taxpayers should never again be asked to endure the conditions of haste and uncertainty which marked the assessment period of 1919.

The new act is essentially similar to the old law, entirely redrafted, it is true, and with a few novel features introduced. What is new, however, is of comparatively minor importance. The taxpayer is not called upon to master a new principle

[1] The law became effective February 25.

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and a new technique, as he was a year before when the excess-profits tax was introduced. Before considering the details of the statute, however, the general financial significance of the measure should be briefly discussed.

When Mr. Kitchen presented the House bill in September he stated[1] that he had depended on the estimates of the Secretary of the Treasury that the expenditures for the year 1918–1919 would aggregate 24 billions. He proposed to raise $8,182,000,000 of this by taxation, roughly one-third of the total. The collapse of Germany caused the Secretary to revise his estimate of the total expenditure downward to the extent of twenty-five per cent. On November 14, he wrote to Senator Simmons, fixing eighteen billions as the approximate expenditure and suggesting that six billions be raised by taxation. This was the mark for which the legislative leaders strove. The estimated yield of the taxes as finally approved by the conference committee is shown in the table on the next page and is compared with the receipts for the fiscal year 1918.

It now appears that Mr. McAdoo's estimate of expenditures was remarkably accurate. Secretary Glass reported recently that they amounted, for the fiscal year 1919, to $18,514,000,000,[2] and stated also that the receipts during the fiscal year amounted to $5,018,783,687.29 from income and excess-profits taxes, and $1,296,501,291.67 from miscellaneous internal revenue, or $4,315,284,978.96 in all. But to this figure must be added the deferred installments of the income and excess-profits taxes, concerning which no accurate information is available. Secretary Glass apparently believes that they amount to nearly three billions of dollars. If they amount to only two billions, the revenue act will have shown itself adequate to the hopes of its framers.

In this same recent statement, Secretary Glass gave statistics regarding aggregate receipts and expenditures during the war

[1] Congressional Record, October 17, 1918, p. 12348.

[2] Annual Report of the Secretary of the Treasury, 1918, p. 50 *et seq.*

[3] Letter of Secretary Glass to Representative Fordney, *New York Times*, July 10, 1919.

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ESTIMATED REVENUE RECEIPTS UNDER REVENUE ACT OF 1918 COMPARED WITH RECEIPTS FOR FISCAL YEAR ENDING JUNE 30, 1918[1]

	As agreed to by the conference committee	Fiscal year 1918
Income tax:		
Individual	$1,432,000,000	
Corporation	775,000,000	$2,839,000,000
Excess-profits tax	2,500,000,000	
Estate tax	60,000,000	47,453,000
Transportation:		
Freight	115,000,000	30,002,000
Express	14,000,000	6,459,000
Persons	75,000,000	24,306,000
Oil by pipe lines	5,000,000	1,433,000
Seats and berths	6,000,000	2,237,000
Telegraph and telephone	17,000,000	6,299,000
Insurance	14,000,000[2]	6,492,000
Admission	50,000,000	26,257,000
Club dues	3,500,000	2,359,000
Excise taxes:		
Automobiles, *etc.*	71,000,000	23,981,000[3]
Jewelry, sporting goods *etc.*	60,000,000	13,866,000
Other taxes on luxuries at 10%	58,750,000	.....
Other taxes on luxuries at 20%	85,000,000	.....
Yachts and pleasure boats	1,000,000	.....
Beverages	75,000,000	441,290,000
Stamp taxes	31,000,000	17,539,000
Tobacco:		
Cigars	46,000,000	30,910,000
Cigarettes	125,000,000	66,492,000
Tobacco	72,000,000	47,485,000
Snuff *etc.*	6,300,000	4,049,000
Leaf	100,000	.....
Floor tax	.....[4]	6,281,000
Papers and tubes	1,000,000	431,000
Special taxes:		
Capital stock	80,000,000	24,996,000
Brokers	1,200,000	333,000
Theaters *etc.*	2,100,000	865,000
Bowling alleys, billiard and pool tables	2,500,000	1,086,000
Shooting galleries	400,000	.....
Riding academies	50,000	.....
Manufacturers of tobacco	70,000	45,000
Manufacturers of cigars	850,000	379,000
Manufacturers of cigarettes	240,000	115,000
Automobiles for hire	700,000	.....
Use of motor boats, yachts *etc.*	1,000,000	407,000
Total	$5,788,260,000	$3,672,847,000

[1] Congressional Record, February 27, 1919, p. 4738.

[2] The income and excess-profits and war-profits taxes upon insurance companies are estimated to yield $6,000,000. This amount is included in the estimated yield for income and excess-profits tax.

[3] Including floor tax.

[4] Floor tax act included.

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period up to June 30, 1919. He estimated the total expenditures for the war period as $32,427,000,000.

Of this sum $9,384,000,000 or about 29 per cent. was met out of the tax receipts and other revenues than borrowed money. This, moreover, does not take into account the unpaid installments. All in all, it appears probable that when definite figures are available, about one-third of the cost of the war will be shown to have been met by taxation. If the advances to the Allies be taken into account as good assets, the revenue from taxes may even approximate the 50 per cent. which Secretary McAdoo urged as the desirable proportion during the first year of the war. Whatever may be one's conviction with regard to the moot question as to division between loans and taxes, he must admit that these figures make a remarkable showing—one far more favorable than can be revealed by any other belligerent. However, lest this be made an occasion for boasting, it should immediately be pointed out that the strength of the position is attributable, of course, to the relatively short time during which this country labored under a full burden, if it can be said ever to have assumed a full burden.

An inspection of the table on page 372 will show that even greater reliance, both absolute and relative, was placed upon the direct taxes on incomes, profits and estates than had been under the act of the preceding year. During the fiscal year ending June 30, 1918, approximately 79 per cent. of the receipts under the revenue law of 1917 came from these three sources. The estimates for 1919 show that 82 per cent. was expected from them.

General Survey of the Act

In bulk the new act is rather appalling, its bare text covering no less than 106 pages of fine print in the official edition. The technical work of drafting is well done. The language is clear and the arrangement convenient, and, moreover, the act consolidates into one document practically the entire internal revenue code, an advantage that will be greatly appreciated by one who has dealt with the scattered legislation previously in force. In the case of this law, size does not connote confusion.

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The act is arranged under fourteen heads or "titles". The first and the last two of these are devoted to miscellaneous provisions the taxes being levied by Titles II to XII. Of these, Title II, "Income Tax", and Title III, "War Profits and Excess Profits Tax", are by far the most elaborate and important. They are reserved for separate treatment.[1]

Title IV deals with the estate tax. This remains in substantially unaltered form with the progressive rates culminating at 25 per cent. Both the House proposal to increase the rates sharply to a maximum of 40 per cent. and the Senate proposal to make the tax an *inheritance* rather than an *estate* tax were eliminated before final passage. As will be seen by consulting Table VI,[2] the new act imposes a scale of rates which in its upper ranges is exactly like the one previously in force. In the lower ranges the rates are somewhat modified to make the progression more regular and even.

Very slight changes in rates and practically no changes in scope or application are made in Title V, which provides a "Tax on Transportation and other Facilities, and on Insurance". The freight tax remains at 3 per cent., and the passenger tax at 8 per cent.[3] Express packages pay, as before, 1 cent on every 20 cents. The rate on Pullman tickets, which was 10 per cent., and on pipe-line transportation, which was 5 per cent., are both made 8 per cent. In place of 1 cent for each 5 cents paid for a message, the telegraph and telephone rates are made 5 cents for each message costing between 14 and 50 cents and 10 cents for more expensive messages. Leased wires are now taxed for the first time, the rate being 10 per cent. of the rental.

Until the growth of direct taxes reduced its significance the tax on beverages, prescribed by Title VI, was the mainstay of the internal revenue system; the advent of prohibition, of course, entirely eliminates this as a source of revenue. From the beginning it was apparent, so far as alcoholic beverages are concerned, that an increased tax on distilled spirits would probably amount merely to a floor tax on existing stocks because

[1] *Infra*, pp. 378 *et seq.*

[2] *Infra*, p. 391.

[3] *Cf.*, Table IV, p. 389.

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the process of production, abandoned under the Food Administration Act, could not conceivably be renewed until after the war. It was also clear that the tax on wines and fermented liquors would cease with the application of restrictive legislation then definitely contemplated. There was no good reason, however, why heavier taxes should not be placed upon such liquors as remained, and practically the entire schedule of rates under the 1917 law was doubled—distilled spirits for beverage purposes going from $3.20 to $6.40 per gallon and fermented liquors from $3 to $6 per barrel.[1] At the same time a new tax was levied on the cereal beverages which were appearing as temperance substitutes for beer. The producers' taxes on soft drinks, first instituted in 1917, were heavily increased and a novel consumers' tax was placed on soft drinks and ice cream when dispensed by retail. Title VII increased the rates on tobacco by approximately 50 per cent.,[2] but even this increase did not bring the tax on tobacco to a point which begins to approach the war-time level established for such taxes in Great Britian.[3] The tax on cigarette paper and tubes, first imposed by the 1917 act, was not increased, but on the contrary, through rearrangement of the size of the taxable package, was really somewhat reduced.

The taxes on admissions and dues, Title VIII, remain practically unchanged, a very strong protest by the theatrical interests having proved sufficient to prevent the adoption of the 20 per cent. rate contemplated in the early drafts of the bill. A scalper's tax, based on the increase in prices charged by him, was instituted. Club dues in excess of $10 rather than $12 are now taxable.

Title IX, Excise Taxes, contains the most novel feature of the new act—and probably the most unpopular, the luxury tax. France, in 1918, had introduced a 10 per cent. tax on the retail sales of articles of luxurious consumption and Andrew Bonar

[1] Details are given in Table I, p. 385.

[2] For detailed table, *cf.* p. 387.

[3] *Cf.* Report of the Committee on War Finance of the American Economic Association (December, 1918) p. 62.

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Law in the same year announced a similar tax for Great Britain at the rate of two cents on the shilling. Before the signing of the armistice it was felt that a luxury tax on retail sales would be, on the whole, a desirable addition to the federal tax system. The difficulties of its administration were partially, if not fully, recognized; but these were outweighed in the minds of the legislators by the advantages which were expected in the direction of the discouragement of lavish expenditures. The tax had the unique capacity for definitely labeling certain articles as luxuries upon which, in war time, the government desired to put its ban. The cessation of hostilities altered the situation considerably, but in spite of very determined opposition the luxury tax remained a part of the revenue act. The rates on the whole were low, but their moderateness did nothing to diminish the administrative difficulties of the law. At the very time of passage assurances of an early repeal were given, but in spite of the added influence of the President's own recommendation, urged in his message of May 20, 1919, the tax still remains on the statute books.

The law lists 20 classes of commodities [1] which are made

[1] The detailed list is as follows (Law, Sec. 904a):

(1) Carpet and rugs, including fiber, except imported and American rugs made principally of wool, on the amount in excess of $5 per square yard;

(2) Picture frames, on the amount in excess of $10 each;

(3) Trunks, on the amount in excess of $50 each;

(4) Valises, traveling bags, suit cases, hat boxes used by travelers and fitted toilet cases, on the amount in excess of $25 each;

(5) Purses, pocketbooks, shopping and hand bags, on the amount in excess of $7.50 each;

(6) Portable lighting fixtures, including lamps of all kinds and lamp shades, on the amount in excess of $25 each;

(7) Umbrellas, parasols and sun shades, on the amount in excess of $4 each.

(8) Fans, on the amount in excess of $1 each;

(9) House or smoking coats or jackets and bath or lounging robes, on the amount in excess of $7.50 each;

(10) Men's waistcoats, sold separately from suits, on the amount in excess of $5 each;

(11) Women's and misses' hats, bonnets and hoods, on the amount in excess of $15 each;

(12) Men's and boys' hats, on the amount in excess of $5 each;

(13) Men's and boys' caps, on the amount in excess of $2 each;

(14) Men's, women's, misses' and boys' boots, shoes, pumps and slippers, not

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subject to the retail tax at the rate of 10 per cent. upon the portion of the price which exceeds the limit specified in the law. These are for the most part articles which are in their nature indispensable but which nevertheless become luxuries when bought in the finest qualities.

A flat 5 per cent. tax is levied upon the entire retail price of all jewelry,[1] a 4 per cent. tax on perfumes, cosmetics, tooth pastes *etc.*, and on patent medicines.

In addition to all these taxes there are levies against a greatly extended list of articles which are payable by the producer on the basis of the wholesale price rather than by the consumer on the basis of the retail price. Examples of these are the 5 per cent. tax on candy, the 10 per cent. tax on riding habits and hunting garments and the 100 per cent. tax on stillettos, daggers *etc.*[2]

Title X, "Special Taxes", increases the capital stock tax from 50 cents to one dollar for every $1000 of capital stock. It also approximately doubles the series of fees payable by the proprietors of the various types of amusements.[3]

The stamp taxes, Title XI, on the other hand, are permitted to continue almost unaltered. The stamp on playing cards which is raised from five to eight cents constitutes the only increase.[4]

The last of the tax-laying sections, Title XII, provides,

including shoes or appliances made to order for any person having a crippled or deformed foot or ankle, on the amount in excess of $10 per pair;

(15) Men's and boys' neckties and neckwear, on the amount in excess of $2 each;

(16) Men's and boys' silk stockings or hose, on the amount in excess of $1 per pair;

(17) Women's or misses' silk stockings or hose, on the amount in excess of $2 per pair;

(18) Men's shirts, on the amount in excess of $3 each;

(19) Men's, women's, misses' and boys' pajamas, nightgowns and underwear, on the amount in excess of $5 each; and

(20) Kimonos, petticoats and waists, on the amount in excess of $15 each.

[1] Except that specifically excepted. *Cf.* Law, Section 905.

[2] For a detailed list, *cf.* Tables II and III, *infra*, pp. 386–388.

[3] A detailed table will be found on p. 388.

[4] Several new changes were inserted. *Cf.* Table, p. 389.

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through the guise of taxation, a fine for the employment of child labor. It establishes an age limit of from 14 to 16 years and prescribes an eight-hour day and a six-day week for children of given ages. Deviation from the standards renders the employer liable to an "excise tax equivalent to 10 per cent. of the entire net profits".[1] The purpose of this Title is, of course, not fiscal but social. It is apparent that, with the exception of the luxury tax, the provisions reviewed above offer nothing novel or unusual. The productivity of the taxes is increased for the most part by the simple process of raising the rates. The striking fact about the entire situation is the relative insignificance of the miscellaneous taxes described under this act. The policy of depending upon direct taxes is being subjected to a test such as it has never before had to undergo.

The Income Tax

The income-tax law, which now appears as Title II of the Act, has been entirely redrafted and emerges a much more refined and simplified instrument. One set of rates and personal exemptions, for example, replaces the double set in force in 1917, and a number of restrictions which, since the beginning have hedged about the various deductions and have caused endless confusion and complication, are now removed.

It will be recalled that the 1917 tax act was a mere appendage to the 1916 law, its awkward form being indicative of a pious hope for an early and easy repeal. By merely striking out the 1917 amendment the rates could be restored to their pre-war level. But now, viewed from the pinnacle of rates established by the 1918 act, it seems almost unbelievable that such a hope was ever entertained. The consolidation of the law this year may be considered the final abandonment of the old pre-war rate level.

The height of the rates is by all odds the most remarkable feature of the new income tax. The rates under the 1917 law, which reached a maximum of 67 per cent.[2] upon increments

[1] Law, Section 1200.

[2] This does not take into account a possible 8 per cent. excess-profits tax in addition.

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of income accruing to an individual in excess of $2,000,000, were hailed as the highest ever reached "in the annals of civilization".[1] The 1918 law far outstrips these rates, however, a tax of 77 per cent. applying to portions of income in excess of $1,000,000.[2] Although the progressive curve for 1919 shows an improvement in smoothness, it mounts much more rapidly than that formerly in force and consequently is much more productive.

The problem occasioned by the height of the rates is accentuated by two circumstances. The first is the variability of the rates and the second is the plan of combining "normal" taxes with surtaxes. Each year since 1915 a different schedule of income-tax rates has been in force. This excessive variability tempts the taxpayer to try to arrange his income so as to take advantage of the years with lower rates. There is no doubt, for example, that the present heavy rates are now operating as a deterrent to the alienation of property through the desire of owners to postpone the realization of gains from the sale until a period of lower taxes.

The income of the individual is subject in 1918 to a normal tax of 12 per cent., reduced to 6 per cent. on the first $4000 of taxable income. For 1919 these normal rates are made 8 per cent. and 4 per cent. The surtax rates apply in addition to the normal taxes. This device of a high normal rate has at least two marked disadvantages. First, it increases very appreciably the difficulty of making the computations and, second, it destroys the smoothness of the progression in the lower ranges of rates. The normal-rate plan apparently owes its present form to the tax-exemption features of the later issues of Liberty Bonds. The increase in the rate from 4 per cent. to 6 per cent. and 12 per cent. was principally an attempt to purchase a better market standing for these issues. When the history of the financing of the war is finally written, the manipulation of tax-exemption privileges as a method of in-

[1] Seligman, "War Revenue Act", POLITICAL SCIENCE QUARTERLY, vol. xxxiii, p. 18.

[2] A table giving full details is presented on p. 391.

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creasing the attractiveness of the bonds will be found worthy of critical attention. Purely from the financial point of view, the more economical way to secure improved market standing was to pay a higher interest rate, and when the costs came to be weighed, the almost baffling intricacy [1] introduced into this portion of the field of income-tax procedure by the varying types of bond exemption, must be thrown into the balance. It will be found to be a factor of considerable importance for some years to come.

The rate imposed on corporations is 12 per cent. for 1918 and 10 per cent. for 1919. It will be noted that there will be a difference of 2 per cent. in 1919 between the corporation rate and the normal rate on individuals, which is a reversion to the discrimination which existed in 1917, a discrimination which, by the way, is not easy to justify. Corporations are now for the first time granted an initial exemption of $2000.

A change is made in the application of the rates to individuals declared from the surplus of preceding years. When the 1917 law was drafted it was decided to eliminate one incentive influencing corporations to refrain from declaring dividends during years of high rates, by the simple device of announcing that, no matter when declared, dividends should be taxed at the rates in force when the surplus was accumulated. As an administrative problem, however, this plan proved to be anything but simple and the new law makes dividends, except for a restricted class of stock dividends, taxable at the rate in force in the year when declared. This act, while probably almost imperative, worked a real injustice in the case of many corporations and has led to charges of broken faith.

In spite of the recent court decisions in the cases of Towne *v.* Eisner (245 U. S. 418) and of Macomber *v.* Eisner (U. S. District Court, Southern District of New York, January 23, 1919) the new law continues to attempt to tax stock dividends. Certainly the present situation is an anomalous one, but it must

[1] One prominent accountant expressed the opinion that many of the problems introduced by the bond exemptions, particularly those involved in partnership, were incapable of exact solution.

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not be thought that all of the anomalies involved would be disposed of by a declaration of the Supreme Court that stock dividends are not income under the Sixteenth Amendment. There would still remain the inequities as between corporations which build up a surplus and those which do not and between the corporations and the other forms of business organizations. The search for a workable concept of income which will be free from inconsistencies and inequities goes steadily on, and the law shows very decided progress toward the accountant's concept. But the balance sheet will have to develop to a much more sensitive measure of value than it now is before the problem can be entirely solved. It may be that the new use of the balance sheet for income-tax purposes will stimulate a development toward refined accounting which will measure variations more sensitively and may even periodically be corrected or "normalized" by reference to an index number indicating variations in the value of money.

The salaries of the President and the federal judges are now definitely made subject to tax, while the law is silent as to those of state and municipal employees where before there was a specific exemption. The Treasury, however, has ruled that the salaries of the latter classes are not to be reported, a ruling which apparently has none too firm a foundation.

Life-insurance policies paid upon the death of the insured to the estate are now exempt. Formerly they were free of tax only when paid to an individual.

Now for the first time the law permits an individual to deduct all losses, whether incurred in trade or otherwise. Indeed the deduction for losses is now made so liberal that there seems to be some danger that the legislature and the treasury have gone too far. The question of deductions because of casualties lies in a twilight zone where one suspects the existence of great diversity of procedure.

Depreciation allowances are made more liberal by the new law, reserves for obsolescence are permitted and depletion in the case of mines and gas and oil wells is put on a much more satisfactory basis. Corporations are now for the first time relieved of the arbitrary limitation on deductible interest and

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of the discriminatory tax on dividends received from other corporations. The privilege of deducting reserves for bad debts is not extended by the new law in spite of the efforts of the accountants to bring this about.

The very high rates now in vogue have led to numerous relief provisions or "cushions" which impart a measure of elasticity to the law. The inclusion of these relief provisions was one of the points of difference in the conference committee, and the act as it stands is by no means as well supplied with these clauses as was the Senate bill. Typical provisions are those permitting the adjustment of losses after the close of the taxable year in the case of shrinkage in inventories (sections 214a-12 and 234a-14), the allowance of special depreciation for plants engaged in war work (sections 214a-9 and 234a-8) and the permission to offset net losses against profits of previous years (section 204b).

Administrative changes of importance include the extension to individuals of the right to report on the basis of fiscal years, the payment of the tax in four installments, the requirement of consolidated returns in the case of affiliated corporations and the establishment of the Advisory Tax Board of six experts to assist in the interpretation and administration of the law.

In order to eliminate so far as possible the inequality which was found to exist under the old law as between partnerships and corporations performing personal service, the law recognizes a new taxable class, the personal service corporation, the stockholders of which are taxed as are the partners in a partnership.

All in all, the changes made in the law, although not revolutionary, are seen to be substantial and essentially fair. In the aggregate they result in a greatly improved statute.

The Excess-Profits Tax

The excess-profits tax of 1917 was probably as deservedly unpopular as any tax measure could well be. It was productive of large revenue, but when this favorable statement is made, praise must cease. It was unfair in its scope, uneven in its application and so poorly drafted that only by the boldest administrative action could it be made to function at all.

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The new tax, called the war-profits and excess-profits tax and treated in Title III, marks a great improvement over the old. Unlike the income tax, it cannot be said of this tax that it has been made simpler than its predecessor of 1917, but, since it now applies to corporations only, the complexity of its double standard will not prove so great a hardship as otherwise.

It will be recalled that the 1917 law adopted as its fundamental test of "normal" income the relationship of net income to invested capital, with a very slight concession to the English pre-war period test in the calculation of the stated deduction. The new law places the English test of pre-war income on practically a parity with the test of invested capital so far as profits subjected to the 80 per cent. rate are concerned. The reënactment, however, of the old excess-profits law at new rates (with the provision included that there shall be added to the tax determined the sum, if any, by which a tax of 80 per cent. on the English basis exceeds that calculated by the excess profits method) will result in the payment of excess-profits tax by numerous businesses which have been no more profitable during the war period than before. In fact some corporations which earned less during the war period than previously will nevertheless have to pay an excess-profits tax under the first two brackets of the new law. Fortunately, there is also included in the act authority for the use of discretion by the Treasury in caring for various classes of unusual cases.

Congress has written into the new law the more important of the administrative rulings which the Treasury evolved in its effort to make the 1917 law reasonable and equitable. Non-taxable securities are not invariably to be deemed inadmissible assets. The allowance to corporations of full deduction under the new income tax for interest paid eliminates the necessity of admitting as assets the portion of borrowed money corresponding to the interest which could not be deducted. Full deduction is allowed of the "credits", even though the sum exhausts the amount in the "first bracket" and carries over into the second.

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The Revenue Act of 1918 is characterized by a continuance of old tendencies rather than by the adoption of radical new measures. The luxury tax and the application of the English pre-war standard to the excess-profits taxes are the novel features. Both are borrowings rather than original developments. The improvements in the statute, and there are very substantial improvements, are to be found in the numerous minor adjustments and refinements in the law. The general policies blocked out early in the history of our war finance of heavy taxation, of especially heavy taxation of war profits, and of dependence, so far as administratively practicable, upon direct taxes, are preserved and developed in this act. There can be little doubt that the verdict of history will be that these were sound and scientific policies. The new act must be pronounced a well considered and constructive piece of legislation.

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APPENDIX[1]

TABLE I

TAXES ON SPIRITS, BEVERAGES AND TOBACCO

		Old Rate	Act of 1914	Act of 1916	Act of 1917	Act of 1918
Distilled spirits:						
For beverages	per gal.	$1.10	$1.10	$1.10	$3.20	$6.40
For non-beverages	per gal.	....	....	....	2.20	2.20
Imitation sparkling wine	per pt.	.10	.10	....	....	....
Rectified (supplementary)	per gal.	....	....	....	.15	.30
Grape brandy	per gal.	.03	.55	.10	.20–.30	.60
Perfumes containing distilled spirits, imported	per gal.	....	....	....	1.10	1.10
Still wines:						
14% or less alcohol	per gal.	....	.08	.04	.08	.16
14–21% alcohol	per gal.	....		.10	.20	.40
21–24% alcohol	per gal.	....		.25	.50	1.00
Over 24% alcohol	per gal.	....		1.10	3.20	6.40
Sparkling wine	per ½ pt.	....	.03	.03	.06	.12
Artificially carbonated wine	per ½ pt.	....	.015	.015	.03	.06
Liquors, cordials *etc.*	per ½ pt.	....	.015	.015	.03	.06
Syrups and extracts	....	....	....	....	.05–.20	....
Soft drinks and mineral waters	per gal.	....	....	....	.01	....
Cereal beverages less than ½% alcohol	on producer's price	....	....	....	....	15%
Grape juice, ginger ale, carbonated waters *etc.*	on producer's price	....	....	....	....	10%
Natural mineral waters *etc.*	per gal.	....	....	....	....	.02
Soft drinks, ice cream *etc.*	for each 10c. retail price	....	....	....	....	.01
Carbonic acid gas	per lb.	....	....	....	.05	....
Fermented liquors	per bbl.	1.00	1.50	1.50	3.00	6.00
Tobacco and snuff	per lb.	.08	.08	.08	.13	.18
Cigars:						
Weighing more than 3 lb. per 1000	per 1000	3.00	3.00	3.00	....	....
To retail for less than 4c. each	per 1000	....	....	....	3.00	....
To retail for not more than 5c. each	per 1000	....	....	....	....	4.00
To retail for 4–7c.	per 1000	....	....	....	4.00	....
To retail for 6–8c.	per 1000	....	....	....	....	6.00
To retail for 8–15c.	per 1000	....	....	....	6.00	....
To retail for 9–15c.	per 1000	....	....	....	....	9.00
To retail for 16–20c.	per 1000	....	....	....	8.00	12.00
To retail for more than 20c.	per 1000	....	....	....	10.00	15.00
Weighing not more than 3 lbs. per 1000	per 1000	.75	.75	.75	1.00	1.50
Cigarettes:						
Weighing more than 3 lbs. per 1000	per 1000	1.25	1.15	1.25	2.05	3.00
Weighing not more than 3 lbs. per 1000	per 1000	3.60	3.60	3.60	4.80	7.20
Cigarette paper	per 100	....	....	....	.01	....
Cigarette tubes	per 100	....	....	....	.02	.02

[1] With Professor Seligman's kind permission the writer has brought up to date and reproduced in this Appendix the very complete and useful tables published in the POLITICAL SCIENCE QUARTERLY of March, 1918, in connection with his article on the War Revenue Act of 1917.

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TABLE II

EXCISES AND MISCELLANEOUS TAXES [1]

		Old Rate	Act of 1917	Act of 1918	Ratio in Force 1918
Colored oleomargarine	per lb.	10c.	....	....	10c.
Non-colored oleomargarine	per lb.	¼c.	....	....	¼c.
Adulterated butter	per lb.	10c.	....	....	10c.
Process butter	per lb.	¼c.	....	....	¾c.
Filled cheese	per lb.	1c.	....	....	1c.
Mixed flour	per bbl.	4c.	....	....	4c.
Opium	per lb.	$300	....	....	$300
Phosphorus matches	per 100	2c.	....	....	2c.
Bank circulation	per mo.	½ of 1%	....	....	½ of 1%
State bank notes	....	10%	....	....	10%
Automobile trucks	....	....	3%	3%	3%
Automobiles and motorcycles	....	....	3%	5%	5%
Tires, parts, accessories *etc.*	....	....	....	5%	5%
Musical instruments	....	....	3%	5%	5%
Moving picture films	....	....	¼–½c. per ft.	5% rentals	5% rentals
Jewelry	....	....	3%	5%	.. [3]
Sporting goods and games	....	....	3%	10%	3%
Patent medicines	....	....	2%	....	2% [3]
Cameras	....	....	3%	10%	10%
Photographic supplies	....	....	....	5%	....
Candy	....	....	....	5%	....
Firearms *etc.*	....	....	....	10%	....
Hunting knives *etc.*	....	....	....	10%	....
Daggers *etc.*	....	....	....	100%	....
Electric fans	....	....	....	5%	....
Thermos bottles *etc.*	....	....	....	5%	....
Cigar holders *etc.*	....	....	....	10%	....
Vending machines	....	....	....	5%	....
Weighing machines	....	....	....	10%	....
Liveries *etc.*	....	....	....	10%	....
Hunting and riding garments	....	....	....	10%	....
Articles of fur	....	....	....	10%	....
Pleasure boats	....	....	....	10%	....
Toilet soap	....	....	....	3%	....
Sculpture, paintings *etc.*	....	....	....	10%	....
Boats and yachts	per ft.	....	50c.–$2	$1–$4	$1–$4
Admissions general	per 10c.	....	1c.	1c.	1c.
Admissions to cabarets *etc.*	per 10c.	....	1c.	1½c.	1½c.
Scalper's tickets	on advanced price	....	....	5–50%	....
Dues	....	....	10%	10%	10%
Munition manufacturers	on net profits	12% [2]	10%	5%	....

[1] For excises or taxes on facilities, see Table IV, Stamp Taxes.

[2] Act of 1916.

[3] *Cf.* discussion of luxury tax, pp. 375 *et seq.*

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TABLE III

Special Taxes

	Old Rate	Act of 1914	Act of 1916	Act of 1918	Existing Rate
Rectifiers	$100–200	....	....	....	$100–200
Liquor dealers	25–100	....	....	....	25–100
Dealers in malt liquors	20–50	....	....	....	20–50
Manufacturers of stills	50 + 20 per still	....	....	....	50, + 20 per still
Brewers	50–100	....	....	....	50–100
Dealers and manufacturers of filled cheese	12–250–400	....	....	....	12–250–400
Adulterated butter and colored oleomargarine	48–480–600	....	....	....	48–480–600
Non-artificially colored oleomargarine	6–200–600	....	....	....	6–200–600
Manufacturers of process butter	50	....	....	....	50
Manufacturers and packers of mixed flour	12	....	....	....	12
Manufacturers and distributers of opium	1	....	....	$3–24	$3–24
Manufacturers of tobacco:					
Sales not over 50,000 lbs.	....	....	$3	$6	$6
Sales over 50,000 to 100,000 lbs	....	....	6	$12	$12
Sales 100,000 to 200,000 lbs.	....	....	12	24	24
Sales not over 100,000	....	$6	....	....	....
to sales over 20,000,000 lbs.	....	$2,496	....	....	....
Sales not over 200,000 lbs.	....	....	$3–12	....	....
Sales over 200,000 lbs.	....	....	8c. per 1000 lbs.	$24 + 16c. per additional 1000	$24 + 16c. per additional 1000
Manufacturers of cigars:					
Sales not over 50,000 cigars.	....	....	$2	$4	$4
Sales 50,000 to 100,000	....	....	3	6	6
Sales 100,000 to 200,000	....	....	6	12	12
Sales 200,000 to 400,000	....	....	12	24	24
Sales not over 100,000	....	$3	....	....	....
to sales over 40,000,000	....	$2,496	....	....	....
Sales not over 400,000	....	....	$212	....	....
Sales over 400,000	....	....	5c. per 1000	$24 + 10c. per additional 1000	$24 + 10c. per additional 1000
Manufacturers of cigarettes:					
Sales not over 1,000,000 cigarettes	....	$12	$3 per 10,000	6c. per 10,000	6c. per 10,000
To sales over 100,000,000	....	$2,496			
Dealers in leaf tobacco	....	6–24	....	....	....
Dealers in tobacco, sales over $200	....	4.80	....	....	....
Bankers in tobacco, per $1,000 capital	....	1	....	....	....
Brokers	....	30	30	50–150	50–150
Pawnbrokers	....	50	50	100	100
Commercial brokers	....	20	....	....	....

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TABLE III—*Continued*

	Old Rate	Act of 1914	Act of 1916	Act of 1918	Existing Rate
Ship brokers	....	....	20	50	50
Custom-house brokers	....	10	10	50	50
Commission merchants	....	20	....	....	....
Corporations per $1,000 capital	....	....	50c.	$1	$1
Proprietors of:					
Theaters, museums and concert halls	...	12.50–100	12.50–100	25–200	25–200
Circuses	....	100	100	100	100
Other exhibitions	....	10	10	15	15
Bowling alleys and billiard rooms, per alley or table	....	5	5	10	10
Shooting galleries	....	....	....	20	20
Riding academies	....	....	....	100	100
Automobile livery, per auto	....	....	....	10–20	10–20

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TABLE IV

STAMP TAXES

		Old Rate	Act of 1914	Act of 1917	Act of 1918
Bond and stock issues	per $100	....	5c.	5c.	5c.
Sales of stock	per $100	....	2c.	2c.	2c.
Sales on produce exchanges	per $100	....	1c.	2c.	2c.
Promissory notes	....	....	2c.	2c.	2c.
Bills of lading	....	....	1c.	....	....
Bonds (except legal)	....	....	50c.	....	....
Indemnity and surety bonds	....	....	....	50c.	50c.
Certificates of profit	per $100	....	2c.	....	....
Certificates of damage	....	....	25c.	....	....
Other certificates	....	....	10c.	....	....
Brokers' notes	....	....	10c.	....	....
Conveyances	per $500	....	50c.	50c.	50c.
Custom-house entries	....	....	25c.–$1	25c.–$1	25c.–$1
Withdrawal from bonded warehouse	....	....	....	....	25c.
Powers of attorney	....	....	10c.–25c.	25c.	....
Protests	....	....	25c.	....[4]	....
Cotton futures	per lb.	....	2c.[1]	2c.	10c.
Proxies	....	....	....	10c.	10c.
Passage tickets	....	....	$1–5	$1–5	$1–5
Playing cards	per pack	2c.	....	5c.[5]	8c.
Parcels-post packages	per 25c.	....	....	1c.	1c.
Freight	....	....	....	3%[2]	3%[2]
Express packages	per 20c.	....	....	1c.[2]	1c.[2]
Passenger fares	....	....	....	8%[2]	8%[2]
Pullman tickets	....	....	1c.	10%[2]	8%[2]
Pipe-line transportation	....	....	....	5%[2]	8%[2]
Telegraph and telephone over 14 to 50c.	....	....	....	5c.[2]	....
Over 50c. (Act of 1917)	....	....	....	10c.	....
Leased wires	....	....	....	10%	....
Insurance:					
Fire, marine and casualty	per $1 of premium	....	½c.	1c.[2]	1c.[2]
Life	per $100 of policy	....	....	8c.[2]	8c.[2]
Property insurance issued by certain foreign corporations	per $1 of premium	....	....	....	3c.
Perfumery and cosmetics:					
Price 5–25c.	per pkg.	....	⅛–⅝c.	2%[3]	4%
Over 25c.	per pkg.	....	⅝c. per 25c.		
Chewing gum	per $1.00	....	4c.	2%	3%

[1] Imposed by the Cotton Futures Act of Aug. 18, 1914.

[2] Not called stamp taxes, but taxes on facilities *etc.*

[3] Not called stamp taxes, but excise taxes.

[4] No change in act of 1917.

[5] Making total existing rate 7c. per pack.

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TABLE V

INCOME TAX RATES—APPLICABLE TO INDIVIDUALS

Increments of Taxable Income		Act of 1913		Act of 1916		Act of 1917			Act of 1918[1]	
		Surtax per cent.	Total rate per cent.	Surtax per cent.	Total rate per cent.	Additional surtax per cent.	Total surtax per cent.	Total rate per cent.	Surtax per cent.	Total rate per cent.
$5,000 to	$6,000.	..	1	..	2	1	1	5	1	13
6,000 to	7,500.	..	1	..	2	1	1	5	2	14
7,500 to	8,000.	..	1	..	2	2	2	6	2	14
8,000 to	10,000.	..	1	..	2	2	2	6	3	15
10,000 to	12,000.	..	1	..	2	3	3	7	4	16
12,000 to	12,500.	..	1	..	2	3	3	7	5	17
12,500 to	14,000.	..	1	..	2	4	4	8	5	17
14,000 to	15,000.	..	1	..	2	4	4	8	6	18
15,000 to	16,000.	..	1	..	2	5	5	9	7	19
16,000 to	18,000.	..	1	..	2	5	5	9	7	19
18,000 to	20,000.	..	1	..	2	5	5	9	8	20
20,000 to	22,000.	1	2	1	3	7	8	12	9	21
22,000 to	24,000.	1	2	1	3	7	8	12	10	22
24,000 to	26,000.	1	2	1	3	7	8	12	11	23
26,000 to	28,000.	1	2	1	3	7	8	12	12	24
28,000 to	30,000.	1	2	1	3	7	8	12	13	25
30,000 to	32,000.	1	2	1	3	7	8	12	14	26
32,000 to	34,000.	1	2	1	3	7	8	12	15	27
34,000 to	36,000.	1	2	1	3	7	8	12	16	28
36,000 to	38,000.	1	2	1	3	7	8	12	17	29
38,000 to	40,000.	1	2	1	3	7	8	12	18	30
40,000 to	42,000.	1	2	2	4	10	12	16	19	31
42,000 to	44,000.	1	2	2	4	10	12	16	20	32
44,000 to	46,000.	1	2	2	4	10	12	16	21	33
46,000 to	48,000.	1	2	2	4	10	12	16	22	34
48,000 to	50,000.	1	2	2	4	10	12	16	23	35
50,000 to	52,000.	2	3	2	4	10	12	16	24	36
52,000 to	54,000.	2	3	2	4	10	12	16	25	37
54,000 to	56,000.	2	3	2	4	10	12	16	26	38
56,000 to	58,000.	2	3	2	4	10	12	16	27	39
58,000 to	60,000.	2	3	2	4	10	12	16	28	40
60,000 to	62,000.	2	3	3	5	14	17	21	29	41
62,000 to	64,000.	2	3	3	5	14	17	21	30	42
64,000 to	66,000.	2	3	3	5	14	17	21	31	43
66,000 to	68,000.	2	3	3	5	14	17	21	32	44
68,000 to	70,000.	2	3	3	5	14	17	21	33	45
70,000 to	72,000.	2	3	3	5	14	17	21	34	46
72,000 to	74,000.	2	3	3	5	14	17	21	35	47
74,000 to	75,000.	2	3	3	5	14	17	21	36	48
75,000 to	76,000.	3	4	3	5	14	17	21	36	48
76,000 to	78,000.	3	4	3	5	14	17	21	37	49
78,000 to	80,000.	3	4	3	5	14	17	21	38	50

[1] The Act of 1918 specifies that the normal rate shall be 12% except on the first $4000 when it shall be 6%. For 1919 and thereafter, the normal rate is fixed at 8% and 4%.

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TABLE V—*Continued*

Increments of Taxable Income	Act of 1914		Act of 1916		Act of 1917			Act of 1918	
	Surtax per cent.	Total rate per cent.	Surtax per cent.	Total rate per cent.	Additional surtax per cent.	Total surtax per cent.	Total rate per cent.	Surtax per cent.	Total rate per cent.
80,000 to 82,000.	3	4	4	6	18	22	26	39	51
82,000 to 84,000.	3	4	4	6	18	22	26	40	52
84,000 to 86,000.	3	4	4	6	18	22	26	41	53
86,000 to 88,000.	3	4	4	6	18	22	26	42	54
88,000 to 90,000.	3	4	4	6	18	22	26	43	55
90,000 to 92,000.	3	4	4	6	18	22	26	44	56
92,000 to 94,000.	3	4	4	6	18	22	26	45	57
94,000 to 96,000.	3	4	4	6	18	22	26	46	58
96,000 to 98,000.	3	4	4	6	18	22	26	47	59
98,000 to 100,000.	3	4	4	6	18	22	26	48	60
100,000 to 150,000.	4	5	5	7	22	27	31	52	64
150,000 to 200,000.	4	5	6	8	25	31	35	56	68
200,000 to 250,000.	4	5	7	9	30	37	41	60	72
250,000 to 300,000.	5	6	8	10	34	42	46	60	72
300,000 to 500,000.	5	6	9	11	37	46	50	63	75
500,000 to 750,000.	6	7	10	12	40	50	54	64	76
750,000 to 1,000,000.	6	7	10	12	45	55	59	64	76
1,000,000 to 1,500,000.	6	7	11	13	50	61	65	65	77
1,500,000 to 2,000,000.	6	7	12	14	50	62	66	65	77
Over 2,000,000.	6	7	13	15	50	63	67	65	77

TABLE VI

ESTATE TAX

Net Estate	Sept. 8, 1916	Mar. 3, 1917	Act of Oct. 3, 1917		Act of 1918
			Additional	Total rate	
Below $50,000	1 %	1½ %	½ %	2 %	1 %
$50,000–$150,000	2 "	3 "	1 "	4 "	2 "
$150,000–$250,000	3 "	4½ "	1½ "	6 "	3 "
$250,000–$450,000	4 "	6 "	2 "	8 "	4 "
$450,000–$750,000	..	..	..	..	6 "
$750,000–$1,000,000. ...	..	..	..	..	8 "
$1,000,000–$1,500,000 ..	..	..	..	..	10 "
$1,500,000–$4,000,000 ..	..	..	..	..	12 "
$4,500,000–$10,000,000..	5 "	7½ "	2½ "	10	..
$1–2 millions	6 "	9 "	3 "	12	..
$2–3 "	7 "	10½ "	3½ "	14	14 "
$3–4 "	8 "	12 "	4 "	16	16 "
$4–5 "	9 "	13½ "	4½ "	18	18 "
Over $5 millions	10 "	15 "	..	..	..
$5–8 "	..	..	5 "	20	20 "
$8–10 "	..	..	7 "	22	22 "
Over $10 "	..	..	10 "	25	25 "

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THE EXPANSION OF EUROPE III[1]

THE westward shift of the centres of greatest achievement in Europe, as determined by the reaction of expansion, has been no less conspicuous in the domain of the intellect than in the realms of industry, commerce and finance. Genius has winged its way from the countries that had been foremost in medieval times to the lands along the shores of the Atlantic, whose men of enterprise were the first to fare across the seas. It is not altogether an accident, perhaps, that their so-called "golden age" should have been more or less contemporaneous with the beginnings or height of their activities among non–European lands and peoples. And it might fairly be supposed that the nations which occupy the centre of the continent and have risen anew to eminence in mental prowess, have derived much of their opportunity and inspiration from the fact that they, too, have shared in what Europe at large has received from the vast regions outside its bounds.

The more Europeans have learned about the rest of the world, the greater has become their desire to increase their knowledge of it and the stronger their inclination to observe conditions which might suggest valuable analogies or contrasts. This result has been made manifest, of course, in the huge number of publications descriptive in one form or another of oversea areas and their inhabitants or revealing the influence exercised by them on the mentality of Europe. It has appeared, also, in the establishment of learned societies, in the holding of congresses and the creation of other cooperative agencies representative of special fields of research and in the dispatch of scientific expeditions. The collection of stores of materials in museums and similar repositories and the acclimatization in Europe of exotic plants and animals, are further examples of the appreciation shown by Europeans of the treas-

[1] Concluded from the POLITICAL SCIENCE QUARTERLY, vol. xxxiv, pp. 210–225.

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ures of the lands across the sea which have enriched their sphere of thought and consciousness.

The provincialism of an old order, resting on tradition and authority, keeping a section of mankind isolated from its fellows and maintaining it in ignorance and routine, has broken down before a tremendous broadening of contact with different stages of civilization over the entire earth. Ancient, biblical and patristic domination of the mind has been overthrown by the rise of a rational and scientific concept of the universe and the systematization of learning in that regard. From the forces thus engendered the thought of Europe may be said to have been affected in three ways: first, through the impulse given to the revival of a secular outlook on life, an appreciation of worldly things and human relationships; second, through the arousing of curiosity and interest, which has conduced to philosophic and scientific inquiry; and third, through the enhancement of credulity and imagination along lines that have assured an acquisition of wider fields of expression in literary and artistic endeavor.

To an age of vague notions about the outer world has succeeded an era of explorers, travelers and investigators who have been able to demonstrate the truth or falsity of such ideas by actual evidence. Verification could thus become a possibility and from a possibility a habit. Through the reports that have been furnished and the things that have been gathered the faculty of close observation has been developed. It has been made practicable, accordingly, to specialize in the examination of what is characteristic of a single phenomenon or of groups of phenomena world-wide in their distribution, and eventually to discuss the supreme problem of the origin and destiny of man and his relation to the universe in which he dwells.

Given the philosophy of life prevalent in the fifteenth century, it would seem desirable to begin a brief survey of the possible effects of oversea enterprise on specific phases of European thought by reference to the moral and religious consciousness. Relationship with new lands and peoples may be said to have had consequences both debasing and elevating.

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Among results of the former type may be mentioned the enhancement of pride, prejudice, indolence and extravagance, and the development of an earth-hunger, a commercialism and a greed for wealth which has found satisfaction in the plunder or exploitation of native peoples and the robbery of European rivals. Those of a beneficent sort, on the other hand, would include the heightening of courage, enterprise and initiative which have made the men of Europe go forth to see the world, with all that this contributes to tolerance and enlightenment in human understanding. Even the gross immorality inseparable from contact with racial servility or inferiority, the unfortunate status of the half-breed, the unfairness and cruelty practiced upon slaves or otherwise "backward" folk and the callous injustice of "contracts" into which "natives" have been inveigled, have not been without their value to the European at home. In might well be asked, in fact, whether these things have not been responsible in some degree for the revulsion of sentiment that has appeared in Europe after a sufficient exposure of the wrongdoing has been made. To what extent a public and widespread knowledge of the inhumanities perpetrated by Europeans across the seas has served to call into existence the modern spirit of humanitarianism, is a further question that suggests an answer.

So, too, the various phases of relationship with non-Europeans seem to have had a broadening effect on the religious conceptions of Europe. This assumes a variety of forms. It would comprise, for example, tendencies to breed indifference or skepticism and, by strengthening an interest in the present world over against that in a world to come, promote liberty of conscience. In a similar category stands the influence of opportunities overseas for material and spiritual betterment on the decline of religious discontent and animosity at home. The fact is not without significance that the first genuine trade war kindled in Europe by rivalries on the ocean and in distant lands occurred immediately after the last of the religious wars. European theologians, moreover, have had to deal with a number of highly perplexing problems derived from an acquaintance with the strange or little known people of earth and

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not to be solved by medieval authority. Above all, a new enthusiasm has been awakened in Europe in behalf of a diffusion of the Christian type of faith and morals, enabling Christianity to become what it never had been before—literally a world religion. Europe may thus be said to have attained an understanding of its great ethical mission, namely, to render the bounds of Christian civilization coincident with those of the habitable globe itself.

The vast increase of European knowledge about the shape, size and conditions of the earth has given a mighty impulse to the scientific study of geography and to a corresponding development of cartography. It has led to an enunciation of the great principle of the essential unity of nature. Proofs, also, have been supplied of the influence exerted by the configuration of the land on climate and of this in turn on organic life and its distribution. Both systematic travel, as a means of diversion or instruction, and scientific exploration, furthermore, are European activities that have been created in response to incentives from overseas.

Whether or not the beginnings of the expansion of Europe, rather than the "Renaissance", the fall of Constantinople, the Protestant Revolution or some other conventional point of departure, may be correctly taken to mark the inception of the modern world, certain it is that the scope, content and character of the writing of history show many an evidence of the impression made upon it by the knowledge of regions overseas. The life record of peoples cultured and uncultured everywhere on earth has been added to the intellectual treasury of Europe. Only after the secrets of the globe were laid bare has it been possible for the story of the achievements of mankind to attain anything like universality. Genuine world history has been the outcome. Narrowness and superficiality of concept, also, exclusive regard for politics and religion and the narration of memorable occurrences that would appeal to the literary sense alone, have been replaced by an interest in civilization as a whole. Chronicles have given way to treatises descriptive, critical and interpretative. Ranging into fields of inquiry opened up in every part of the earth and laying each under

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special contribution, modern historiography has been enabled to become a social science, a means of comprehending the life of man in the light of his past activities. The idea of progress, based upon a natural and not a miraculous causation, constitutes its cardinal theme.

Thanks to the work of European explorers and excavators, the sites of many an ancient civilization beyond the confines of Europe have been uncovered. Monuments that had been regarded merely as curiosities, encumbrances or quarries, as the case might be, have been made to furnish evidence for the history and characteristics of the peoples who produced them. What had been handed down in the form of scanty allusions by the writers of classical antiquity has come to be supplemented to a degree which renders it possible largely to reconstruct the records of remote times. Through the attention directed to ancient remains in Europe itself and through comparisons drawn with similar material found elsewhere, historical concepts and perspectives have undergone profound modification. The rise of archeology as a division of systematic knowledge appears thus to be a consequence of the migration of Europeans overseas.

Among the factors that have served to create and develop international law, one is the circumstance that Europeans have navigated the oceans and established their power in distant lands. Thereby the question of the freedom of the seas has been posited. In response to needs arising overseas mathematical and physical devices for the demarcation of boundaries have been adopted and made the basis of diplomatic negotiation. How far the sovereign nations of Europe have had a right to take possession of territories belonging to no one acknowledged as civilized in the European sense, is a further problem that has engaged the attention of the juristic and legal thought of Europe. So also has the nature of the duties and responsibilities thereby incurred.

To what extent the establishment of economics as a branch of European learning has been promoted by the process of expansion is an inquiry that must be pursued in connection obviously with a study of the course of reaction along industrial,

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commercial and financial lines. It would include, for example, a survey of the theories elaborated and the principles laid down in reference to the means of developing oversea resources. What the relative advantages or disadvantages to the welfare of Europe accruing from the utilization of the materials drawn from that quarter have been, is a matter equally pertinent to the subject.

Interest in the characteristics and circumstances of non-European peoples and in the origins of the types of life they have exemplified may be regarded as primarily responsible for the rise of anthropology and the kindred sciences that have sprung from it. So long as large masses of humanity were withdrawn from view, the natural history of man could not be elucidated. Nor could an intellectual attitude which left the determination of man's position in nature and the general scheme of creation to metaphysics and theology, and which looked upon the customs and institutions of "natives" as "ye beastlie devices of ye heathen", be overcome. Not otherwise, also, could the disposition of the pioneers of European enterprise to start "civilizing" the inhabitants of oversea lands by destroying whatever civilization they might have had, be checked. Through the growth of knowledge about non-Europeans, then, it has become feasible to apply scientific principles and methods to the study of man and the races of man and to trace their evolution from savagery to civilization.

The origin of several of the sciences called "comparative" and of others associated with the investigation of certain types of ancient culture, is similarly traceable to oversea influences. From them in turn a methodology has been devised for application to European ideas and institutions. How the process of expansion has affected both language and the science of language, for instance, may be viewed from a variety of angles. One of them is the effect of the use of the mother tongue in oversea ventures on the disappearance of Latin as the medium of intercourse among scholars. Another is the manner in which the vernaculars of Europe have been enriched from exotic sources. Intimate acquaintance, furthermore, with the languages formerly spoken in the Orient, notably Sanskrit, has

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brought into being comparative philology with all its subsidiary branches of investigation. Light has thus been thrown upon the origin and relationship of the European peoples, facilitating the classification of races and clarifying the European vision of antiquity.

As departments of scientific inquiry, comparative religion and comparative mythology find their roots in the study of non-European religions and myths. Examination of the primitive and the more advanced types of belief and worship has served not only to provide a vast amount of information about cults, rituals, superstitions and folklore, thereby refuting many a tradition of orthodoxy, but also to create a variety of theories about the origin of human ideas on the subject of the supernatural. It has furnished the key to the stores of wisdom garnered by the peoples of remote antiquity, revealed their moral, social, economic, legal and political conditions, aided in the attainment of a conception of the progressive development of society from rude beginnings, and demonstrated that there is no folk on earth, however rude, which is devoid of religion.

Still another department of scientific knowledge which owes its inception to discoveries made in connection with oversea expansion is comparative jurisprudence. Through an analysis of the legal customs of peoples of markedly different grades of civilization in various parts of the world, a new perspective has been given to the study of Roman law and of the legal institutions of modern Europe. Ideas previously prevailing as to the essential character of law and institutions have thus been shown to be little more than variations on modes of action that recur over and over again, however differently they may have been treated.

One evidence at least of the influence on European education which has been exerted by contact with non-European methods of instruction is that furnished by the adoption of the monitorial plan, or the system of mutual teaching by the pupils themselves. The necessity of adequate preparation for oversea service, moreover, has led to the establishment of schools for special training.

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Only in a secondary sense may it be said that sociology, as the science of the associated life of humanity, owes anything to the process of expansion. In this respect, assuming that the Industrial Revolution and the theory of evolution were to a large extent the products of enterprise overseas, both may be called its direct progenitors. It has drawn much of its inspiration, also, from several branches of scientific thought of which the origin or development is traceable to influences derived from a study of non-European peoples and their environment.

Philosophy, on the other hand, has been profoundly affected by the discoveries that have been made by Europeans in the world at large. In great measure through its rationalistic interpretation of new and important facts of human nature revealed in this wise, many of the fundamental theories held in modern times about the origin and functions of the state and of society have been brought forth. Criticism of European conditions and schemes for their betterment have, accordingly, been suggested. As a rule they have been the product of a direct study of the evidence supplied by the men who had observed the characteristics of peoples overseas. Sometimes, however, they have taken the forms of opinions alleged to have been expressed by pseudo-aborigines or Orientals of what they had seen and heard in Europe, and made a vehicle of satire or condemnation by the European philosophers themselves. Since the wisdom of the East has been unveiled by the researches of European scholars, the reaction on the philosophic thought of Europe has, of course, become still more powerful. Then, as the contact of Europeans with non-Europeans has successively widened, grave problems concerning the relationship of races have arisen which tax the genius of philosopher, scientist and statesman alike to solve.

In the realm specifically of the natural sciences the contributions of oversea expansion have been numerous and varied. Through its agency, in collaboration with what has been discovered by the investigation of purely European phenomena, the manifestations of nature everywhere have been subjected to analysis and classification. The idea of a connected system of the universe, of the existence of unity amid diversity, the conception of an ordered plan in creation, of a huge organism in

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process of development, of a continuous scale of being that rises successively from lower planes to higher, of the mutability of species, of the principle of biological evolution—all these find their source to a greater or less degree in what has been supplied to Europe from lands beyond the sea. Both the scope and the methodology of science have been enlarged accordingly. Philosophy, also, has thus been enabled to devote its energies to the elucidation of natural history.

Just as in the case of the development of astronomy, so the origin of meteorology and oceanography may be ascribed to influences born of the activities of Europeans on the sea and overseas. Astronomy, indeed, could not become a science until the earth had been made known, and the stellar and planetary system visible far beyond the bounds of Europe had been duly observed and compared with that apparent at home. Its range of knowledge, also, has been enlarged through acquaintance with the records of Oriental antiquity. Observation of the periodicity of meteoric showers in oversea areas gave rise to the science of meteorology. Deflections of the magnetic needle on the vast stretches of ocean and the discovery in distant regions of the variations in intensity of the earth's magnetic force, laid the foundations for the study of terrestrial magnetism. The necessity of sounding the depths of ocean, of noting the direction of the winds and the flow of oceanic currents, brought forth oceanography. Moreover, in order to measure positions on land and sea and to determine the velocity of vessels, new instruments of precision have had to be invented.

Observations of the flora of non-European countries has helped to make botany a department of modern knowledge. As a result of interest in exotic plants, botanical gardens have come into existence. Increasingly accurate classification of plant life and character and the growth of specialization in their study have attended the discovery of new species and varieties in all parts of the globe.

Much the same processes have been visible in the establishment of zoology as a science. Accounts furnished by explorers and travelers about strange creatures inhabiting regions outside of Europe and the study of specimens brought home

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have steadily enlarged the field of inquiry. The revival of comparative anatomy has been facilitated by the dissection of animals not indigenous to Europe. An increased knowledge of differences between the structure of the lower animals and that of the human body has been obtained. Then, as opportunities have been afforded for a still closer examination of the manifold types of animal life scattered throughout the world, earlier descriptions and classifications have been replaced by more rigorous methods of investigation, based on new subdivisions of the subject and aided by other sciences that have profited from the course of expansion overseas.

Foremost among such sciences are geology and biology. In both cases the impulses leading to their foundation have been communicated in large measure by discoveries made in non-European regions. While geology and its derivative, palaeontology, have been induced to devote attention to materials available more especially in Europe itself, demonstrating thereby the remote antiquity of the earth and of many forms of vegetable and animal life, and helping to solve some of the more important problems of descent, evolution as the fundamental principle in biology owes its adoption, if not altogether its inception, to investigations conducted by scientists outside of Europe. To its origin and development philosophy, botany, zoology and geology have all contributed; but it was primarily the comparative study of animals in America and in islands off the continent of Asia which supplied the proofs needed in order to insure its general acceptance. Thus the principle of the formation of species through natural selection based on a struggle for existence, the idea of the survival of the fittest, with all its alluring possibilities of application to conditions wholly beyond the bounds of natural science, has become an organic part of European thought.

Mineral, vegetable and animal substances discovered elsewhere than in Europe have helped to make the study of chemistry a science. Volumes, also, might be written about what Europe owes to oversea regions for the cure of disease, the alleviation of suffering and the satisfaction or debasement of the physical senses. Drugs, medicaments and narcotics, ob-

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tained originally in those areas, have been given by chemical processes a greater efficacy than they had before. Various forms of illness hitherto unknown have been introduced into Europe, and medical research has been directed, accordingly, to ailments born of conditions abroad. European surgery, furthermore, has learned many a lesson from the methods of non-European practitioners, notably in India.

Turning now to the domain of imaginative literature as affected by the course of expansion, it may be said that poetry, drama and romance have all felt the influence of accounts descriptive of conditions among lands and peoples beyond the frontiers of Europe. The composition of some of the most famous of modern poems, classics in their respective languages, has been inspired directly from these sources. Works less renowned have striven to set forth the knowledge attained, the ideas suggested, the emotions aroused and the imagery conjured up by what has been related of the wonders of the unknown or little known world at large. Allusions to exotic conditions of life and thought abound in writings not primarily devoted to such themes. The entire field of European literature classed as imaginative is, indeed, replete with evidence of the operation of forces emanating from overseas.

The aspects of the influence of expansion in this regard are numerous and varied. They include the actual interest awakened in tales of European achievement, in the marvels of distant lands and waters and in the beliefs and customs of strange folk. Minds fired by the magnitude of the work of discovery have sought to depict the vastness of the earth in a manner that would present all creation in a new light. Versatility of experience abroad has accentuated and diversified the sense of appreciation for what existed at home and stimulated the imagination accordingly. If European verse and drama, on their part, offer many an example of the currents of thought which have thus been turned into new channels, romance goes much farther, in that it appears to be itself a direct consequence of the operation of fact and fancy in oversea endeavor. Tales of actual adventure, of things strange and curious, of the credible and the incredible, associated with the deeds of Europeans

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abroad, have produced a desire to imitate them in artificial form. Scenes, characters and circumstances thus brought to the attention of Europe have contributed, more than any other factors, it would seem, to the rise of modern prose fiction.

Both the New World in the West and the New World in the East have cast their spell in varying fashion upon the European mind. Concepts of their potentialities for good or evil have stirred the powers of thought. The American Indian and other aborigines and their physical environment, also, have become conspicuous in literature. To a far greater degree, however, it has been the Orient that has served to mould the intellect of Europe. Not only have the works of Oriental writers been made known in translation and often directly imitated, but what are essentially European compositions in spirit and character have drawn extensively upon the East for their theme and diction. Certain types of civilization, also, which Europe has come to believe characteristic of the Orient, have won a fairly permanent place in popular credence.

More specifically still, the ocean itself and the seafaring spirit engendered by it have aroused emotions that are widely reflected in European literature. No single factor in the realm of nature, indeed, has appealed so powerfully to the imagination as the huge expanse of waters over which mariners from the fifteenth century onward have sailed in quest of all that stirs human ambition. The nations whose sailors and men-at-arms, whose traders and travelers, have gained renown in exploits on and over the sea have been glorified in verse and play and story. Commercial and political struggles for dominion beyond the shores of Europe have furnished many a theme to inspired pens. Imperialism has been vaunted and the burden of empire equally deplored. The philosophy and religion of the Orient have made an ever-deepening impress. Even the achievements of exact science in distant lands have been transformed by fantasy into romance that thrills the imagination.

Although the art of Europe has been enriched and diversified in some degree by elements derived from overseas, the evidences of it are far less numerous than those in other fields of the intellect. The knowledge of ancient forms of architec-

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ture, for example, as determined by considerations of climate and the materials at hand, has been enlarged by the study of buildings in the Orient. This in turn has suggested the practicability of applying some of their structural and ornamental characteristics to European edifices. Painters, however, have not employed exotic themes to anything like the extent that their co-workers in thought and expression, the *littérateurs*, have done. Until the later stages of expansion had been reached, scant heed was given by them to possible sources of inspiration in the handiwork of man and nature outside of Europe itself. Even then the amount of appreciation was relatively slight. The principal respects in which painting has been influenced are those associated with the portraiture of types and the depiction of scenes chosen especially in the Near East, and of articles of dress and adornment having a much wider geographical provenance. The American Indian, one of the most picturesque figures possible, has appeared but rarely on European canvases. In order to impart local color to stage-settings, however, European artists have been sent out to sketch the monuments, landscapes and human types in distant lands, which might befit the kind of play to be presented. So, too, the handiwork of Oriental masters of the brush has been rewarded in recent years with much consideration. Interest has even been awakened in the crude productions of primitive art.

It is in the field of decorative design that the activities of Europeans overseas have been most effective in their influence upon artistic achievement at home. Books and maps have been plentifully adorned with pictures representative of things abroad. Plate and jewelry have been enriched with designs suggested by the knowledge of regions outside of Europe. Artistic specimens of Oriental workmanship in particular have been useful in developing a refinement of taste, which in turn has created a desire both to possess and to reproduce them. Stimulating thus a search for the requisite materials that might be found in Europe, they have served to establish many a form of industrial art.

During the more recent phases of expansion music also has caught the inspiration of exotic themes. European composers

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have translated into music the results of the work of discovery which has revealed the whole world as a treasure-house, no less rich in the materials that appeal to the aesthetic sense than in those which satisfy human wants in other respects. Again, it is the Orient that has imparted the chief influence, and the form in which it has been best exemplified is opera.

As in the various other phases of the general subject already examined, so in a political sense the rise to power and prestige of the nations of Europe along the Atlantic seaboard and in some cases their subsequent decline, may be attributed in eminent degree to their expansion beyond the seas. In the present connection, however, the term "political" should be given its broadest possible connotation. It should be understood to mean all that has had to do with the development of the European states individually and as a body. Its content would thus be cumulative, embracing the several phases of the process of reaction hitherto surveyed, together with those yet to be examined, and which concern more especially the situation from time to time of the various nations as political organisms and their relationship to one another.

Broadly interpreted, therefore, a study of the political reaction of expansion on Europe would include not merely its bearing upon the forms and functions of government but the significance of each of the forces and factors that have been discussed for the development of civilization among the states of Europe and the attainment of the position they now hold or have held. Thus, such a study would note the effects along social lines of changes in the standard of comfort and in the measure of appreciation of individual worth and common action for the public welfare. It would observe the relation of an enhancement of occupational energy and productivity to industrial conditions. In the domain of commerce, it would regard the widening of the field of operations and the enlargement of opportunities for exchange. From the standpoint of finance, it would consider the increase in wealth and the diversification of its forms. With reference to intellectual advancement, similarly, it would endeavor to estimate the vast amplification given to the realm of knowledge, thought, understanding and

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imagination. All of these elements should be examined in the light of what each of them may have contributed in the proportion of its strength or weakness to the consciousness of nationhood and of relationship among the states and peoples of Europe. Limitations of space in the present article, however, prevent any further consideration of them and require that what is hereafter to be said on the subject shall be confined to a treatment of political phenomena in the narrower sense of the word.

Because of the operation of the various types of influence which have been surveyed, countries once of more or less scant importance have been enabled to enter upon the possession of huge empires. They have become world powers as none of them ever could have before. It is the nations fronting on the Atlantic or its immediate backwaters which have profited primarily from the transit overseas of European ideas and institutions. This has meant a tremendous shift in the political balance from central to western Europe. To the extent, also, that the states and peoples which had dominated the continent in medieval times have shared in the advantages obtained by their neighbors to the westward may be ascribed in appropriate measure the fact that they have regained much of what they had lost through this course of deflection.

The origin of most of the international struggles that have arisen since the sixteenth century may be attributed in greater or less degree to questions concerned with interests on the sea and overseas. Unwillingness to permit any nation to dominate the common highway of mankind, commercial and colonial rivalry, resentment over an inequitable distribution of territorial dependencies and of opportunities for access on equal terms to world markets, the desire to possess extra-European sources of wealth or strength in general—all have lain at the root of these struggles. Sentiments or motives of this sort have prevented the establishment of an effective system of international supervision and control over them, which might make cooperation, rather than competition, the principle of belief and practice. The so-called "double wars", *i. e.*, wars at once European and extra-European in their field of action, which have involved the successive

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elimination of national competitors until one alone should arise supreme on the seas and overseas and determine the balance of power for the continent, have had as a powerful cause the collision of interests provoked by expansion. European revolutions, accordingly, have become world revolutions, and European conflicts have had to widen their scope over the earth. The expansion of Europe has created world politics with all the ensuing consequences for good and evil to Europe itself. Even the common opinion entertained by one European people about another has often been formed as a result of what has been done by either or both of them in activities overseas.

Enterprise on the oceans and in distant lands has imparted an increased and far more general stimulus to all national concerns than had ever existed before. It has imbued national consciousness with tremendous vitality, encouraging it to broaden out into a spirit of imperialism which knows no bounds. It has created or strengthened antipathies among nations. Maritime and colonial ventures, the contact growing ever more intimate with non-European lands and peoples, have been of incalculable value for political purposes. As ambitions have been successively fostered by new acquisitions, the greater has become the desire for still more power.

Oversea commerce, in particular, has been of immense utility in spreading the reputation and enhancing the prestige of European nations. It has served to train sailors for the navy and supply merchantmen as auxiliary ships of war. The amount of experience and the degree of success, material, moral and intellectual, which followed in the wake of the discovery of America and of the route by sea to the Orient, have assured growth and vigor to the navies of Europe. The ocean is the school in which European navigators have gained their seafaring knowledge and skill. It has created the modern sailor. In the same connection the share of oversea wealth in the process must be considered: how it has increased financial resources, enhanced the political strength of the nations concerned, made it possible to introduce a vast number of material improvements, supplied the money with which to build up huge armaments, promoted the interests of rulers and heightened the prestige of peoples.

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All these phenomena, concentrated in the rise of nationalism and in the arousing or strengthening of international animosities, as consequences wholly or largely of the expansion of Europe overseas, are visible in both the history and the literature of the countries affected. Now the question presents itself: just what have been some of the more specific factors mainly responsible for them? One, clearly, is the success attained in discovering distant regions from which untold wealth could be secured. Another is the consequent adoption of a policy of exclusion which has barred possible competitors from opportunities to share in the advantages—a course of action which has meant the practice of monopoly in accordance with the principles of mercantilism. Of like significance is the development of pride and pretense, of an attitude of superiority, of a desire for domination, on the part of countries that might possess special privileges of the sort. A growing sense of injury, not only because of the actual harm done to the other Europeans who might seek to break through the monopoly, but also because of a conviction that the policy of the nation exercising it was inherently unjust, could not fail to be the outcome. Closely coupled with it also is the incitement to ambition and emulation. What certain nations had secured honestly or dishonestly, by persuasion or agreement, by fraud or by force, could be acquired by other nations equally competent, equally determined or equally unscrupulous. Jealousy, fear, irritation, resistance, hostility and war have followed naturally in the train of all this.

On internal affairs of a political character in one European country or another oversea interests have frequently exercised a large amount of influence. By them in some degree the modern national states of Europe have been moulded out of the feudal monarchies of medieval times. They have served accordingly to furnish the means by which governments could employ salaried officials drawn from the commercial and professional classes, instead of having to depend on feudal agents or functionaries who held their position by right of birth. This circumstance, added to the opportunities provided for the raising of military forces obedient to the head of the state,

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helped to quell the turbulence of clergy and nobility. Activities overseas, furthermore, have conduced to the growth of despotism, tended to limit or destroy autonomy in local administration and brought on a diminution of the power of the legislative branch of government, so far as the share of popular representation in it was concerned. In some measure, also, they have hindered the completion of national unity. On the other hand, forces derived from overseas have been productive of consequences just the reverse of these. By strengthening the classes in the community most intimately concerned in promoting the work of expansion they have served effectually to lessen monarchical power, to suggest a wider degree of freedom in the conduct of local matters and to render the will of the people supreme in legislation. Through their enlargement of the scope of national interests, also, they have helped to stimulate a desire for cooperation in the advancement of the public welfare.

In more than one case, to be sure, individual countries of Europe have not derived material benefits at all commensurate with the size of their oversea dominions. On the contrary, they have been weakened. The holding of such areas, nevertheless, has been valuable to them for other reasons. It has served, for example, to lend prestige. Whether the particular nation has continued to retain possession of its dependencies or not, these areas have been and remain centres for the propagation of the type of culture represented by the mother country, present or erstwhile. Political separation has not meant the dissolution of all other ties. Instead, it has served, if anything, to strengthen them, and the spiritual empire of the motherland thus survives.

Certain European nations, furthermore, emerging successfully from struggles on the sea and overseas, have engrossed themselves so deeply in the thought of commercial gain and have become so materialistic in sentiment and pacific in disposition as to forget the virtues of self-defense. They have striven instead to evolve theories of neutrality and universal pacification in the face of active, virile and powerful adversaries, regardless of the obvious fact that, so long as human nature remains as it

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is and there are advantages to be won somewhere on an earth that has not yet been wholly partitioned among the greater states of the world, these advantages will be fought for on one pretext or another. To the extent, therefore, that they have yielded their ability to contend and to resist, they have sunk into the position of mere satellites of their stronger fellows or else have assumed the status of a certain kind of political entity which has been pitied, petted, ignored or regulated, according to circumstances, and is known to fame as the "small nation".

Because of their special conditions, some of the European countries have been forced to adopt a policy divided between two ambitions—aggrandizement on the continent and expansion overseas. In the case where the interest in maritime and colonial affairs happened to be great, the effect was to encourage attempts at winning a supremacy in Europe which the nation concerned was inherently unable or unfitted to uphold. On the other hand, where such interest was relatively feeble, its very existence constituted a bar to the realization of any hopes for an enlargement of territory and an enhancement of prestige; for it introduced elements of distraction and demoralization at a time when all efforts should have been concentrated on a single objective. Small wonder is it, therefore, that the country which had been unable either to retain its oversea dominions or to attain supremacy in Europe should have taken an altogether pessimistic view about the value of oversea activities and clung to it until in a later century it could resume its status as one of the great colonial powers.

In this connection a final example may be cited of the political effects of expansion on an individual nation. Here activities on the sea and overseas have made that nation specifically the greatest of world states. Indirectly they are responsible for the very name by which it is known. To its maritime and colonial rivalry with other countries it may be said to owe its ambitious and enterprising character. From the same general origin have sprung in large measure its inventiveness, its resourcefulness, its diplomatic skill, its courage, its boldness, its perseverance, its dauntlessness, its tenacity—in a word, its masterfulness—which have placed the rule of the ocean in its

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hands, enabled it to reap where others have sown and to acquire in an ever-increasing ratio dominion over new lands and peoples everywhere on earth. All this has served to fix its attention on one definite goal in national policy: the maintenance of absolute supremacy on the sea and overseas, in the interest alike of self-defense and national aggrandizement and regardless of political conditions on the continent of Europe, except in so far as any particular state there might rise to a position of dominance sufficient to threaten vitally such supremacy. "Splendid isolation", originally the gift of the ocean, has, accordingly, come to mean for this nation, either abstention from interference in continental affairs or else the keeping of a hand upon the fulcrum of the international balance.

How the loss of colonies has affected both the mother countries immediately concerned and Europe at large is another interesting phase of the political reaction of expansion. It may be viewed from two main angles. Of these the first is the effects produced by the transference of the colonies to some other power. The second is the consequences that have followed the acquisition by such areas of their independence. This concept in turn is divisible into two standpoints, namely, that which regards the immediate influence exercised by the fact of the loss itself, and that which considers the results attending the rise of new nations beyond the sea. Wherein the calling of a new world into existence to redress the balance of the old has served to accomplish its object is a theme obviously of vast import, even if confined wholly to its bearing upon the political ideas and systems of Europe and restricted still more to the changes wrought by the independence and subsequent national growth of the United States alone. Any consideration of the possible ways in which this country has reacted upon the development of Europe would direct attention, of course, to the matter of democratization in principle and practice. It would take into account the mental attitude of Europeans as it has been variously affected by elements and forces derived or operating from the United States. How the achievement of American independence, furthermore, has tended to liberalize the

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colonial policies of European nations and the effect it has had upon the shifting of their centres of oversea interest, are other themes that would repay investigation.

Among the chief sources of extra-European influence on the development and destinies of Europe, which have been especially manifest during the later phases of expansion, the Orient, national imperialism, the growth of world consciousness, the rise of the concept of a common humanity and, in some degree, the origins of the Great War, stand foremost. In the case of the Orient, the significance of the definite possession acquired by European powers of large portions of Asia and all of northern Africa, the situations that have been created by matters relative to the control or disposal of much of the remainder and the effects of the rise of Japan, have all to be considered. That the questions of the East—Near, Middle and Far—have bulked enormously in the affairs of Europe, and that the "yellow peril" has produced a certain amount of disquiet, will not be gainsaid. A vast amount of discussion, furthermore, has been aroused there about the utility and legitimacy of national imperialism. The growing closeness of contact with other parts of the world seems to have created in the European mind a fairly wholesome consciousness, not only of the existence of non-European peoples and of their right to existence, but of their right, also, to attain a welfare commensurate with that of the Europeans themselves. The rise of the concept of a common humanity has become visible in a realization by Europeans that, however diverse its characteristics, mankind everywhere on earth is essentially a unit and should be treated accordingly. To what extent, finally, the origins of the Great War are traceable to the clash of European interests and ambitions on the sea and overseas, is a question for which an answer might be sought in a study of many of the factors that have been pointed out as potentially responsible for the political reaction of expansion on Europe.

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COLUMBIA UNIVERSITY.

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HOW WOMEN VOTE

A STUDY OF AN ELECTION IN PORTLAND, OREGON

I. *Introduction and Conclusions*

THAT woman suffrage is a live issue in America and Europe is a statement that will not be disputed today. It is remarkable, therefore, that very little is known of how women have actually voted or will probably vote on issues or candidates. Politicians and newspapers frankly admit their uncertainty. Will the admission of women to the suffrage retard social reform by adding to the electorate a conservative element, as is asserted to have been the case in Norway, where the progressives, it is said, voted in woman suffrage because it was a progressive measure, and the women, in turn, because they themselves were conservative, voted out the progressives? Or is it true that the enfranchisement of women will have no other effect than approximately to double the number of votes previously cast, that their attitude will be determined by social and economic factors rather than by sex?

If one asks the first person one meets how women vote, he either shrugs his shoulders and says he doesn't know or generalizes somewhat as follows: Women oppose prohibition, are in favor of education (presumably because of their love of children), vote morally (referring in a vague way to their attitude toward prostitution) and voted for Wilson rather than Hughes (because the West voted for Wilson, and in the West women vote). Such generalizations are based on speculation. No evidence to support them has been adduced. There is evidently need for a number of studies on the question of how women vote.

The difficulty in answering the question lies in the fact that women's ballots are not distinguished from those of men but are deposited in the same ballot box. In Illinois, studies have been made possible, because in that state the ballots are kept

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separate. But in the short period during which women have been voting in Illinois, the range of issues upon which they have voted has been limited. The best field for study is probably to be found in some of the far western states where there is considerable use of the initiative and referendum, because the measures there voted on are many and represent many shades of opinion. Even though the method of voting makes it impossible to count women's votes, one wonders if there is not some indirect method of solving the problem. The height of a waterfall is not measured by dropping a line from the top to the bottom, nor is the distance from the earth to the sun measured by a rod and chain.

The following study of an election held in Portland, Oregon, in 1914, is an attempt to "unscramble" the ballots of men and women in the ballot box, or rather to obtain indirectly the conclusions which could be reached directly if the ballots of men and women were separated, by a method known as partial correlation. This method of correlation is technical and will probably not be generally familiar to readers of the POLITICAL SCIENCE QUARTERLY. Because of this fact and also because the measures voted on involve considerable detail, the presentation of the subject will be somewhat unusual. The main ideas and the leading conclusions of interest to the general reader will be set forth in the first part of the paper; a detailed analysis of the votes of women will be given in the second part; and a discussion of the statistical method employed will be found in the last part. But though the method is technical, the idea is quite simple. Stated briefly, the problem is to find out whether the precincts having equal degrees of likemindedness in reference to radicalism or conservatism and having large or small percentages of women voting, are the precincts which vote for or against particular measures. If precincts with large percentages of women voting, vote in larger percentages against a measure than the precincts with small percentages of women voting, assuming for all precincts considered a constant degree of conservatism, then our method of correlation will yield a single number, or coefficient, with a minus sign. The minus sign before a coefficient of correlation is interpreted as meaning that women were more

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opposed to the measure than men were.[1] A plus sign before a coefficient of correlation is interpreted as meaning that men were more opposed to the measure than women were. By looking at the signs of the coefficients of correlation in Table I, it can be ascertained which measures women favored more than men and which measures men favored more than women. Thus, on the first measure, to disenfranchise non-citizen immigrants, the sign of the coefficient is plus, which means that women were more in favor of the measure than men were. The size of the coefficient indicates the amount of divergence of opinion between men and women on a particular measure, the coefficient varying between the limits +1 and —1. A coefficient less than ±0.15 is not significant and does not indicate whether women voters opposed the measure more than men did or *vice versa*.

The twenty-six measures voted on are so varied that they reflect various shades of opinion. It is impossible to determine their full purport and meaning from such brief titles as are given in Table I, and each measure should be judged only after a consideration of time, place and condition. In Part II, a fuller consideration is given to each measure. The outstanding factors of the election were that it was the first at which women voted on a large number of important measures, that it was held at a period of acute industrial de-

[1] Strictly speaking, a negative coefficient of partial correlation shows only that precincts where larger percentages of women vote are the ones that vote more heavily against the measure than do the precincts where smaller percentages of women vote, the factor of conservatism or of radicalism remaining constant. This statement may be interpreted as meaning that women are more opposed to the measure than men, that out of 100 men and 100 women voters chosen at random, more women on the average oppose the measure than men. The interpretation is warranted, however, only if it is understood that it is necessary to hold constant only the one factor of conservatism or radicalism. There may be other factors, as for example, those of age distribution or the foreign-born, which should be held constant, but it seems to us that the only factor necessary to hold constant is conservatism or radicalism. (In the case of the vote for president, it was necessary to hold constant the factor of political party strength in addition to conservatism or radicalism.) It is also theoretically possible to gerrymander the precincts in such a way that there may be a negative correlative even though men and women each distribute their votes 50 to 50 on the given measure, but it is thought that no such gerrymandered situation exists in the precincts studied. A minus sign is, therefore, interpreted by the writers as meaning that women are more opposed to the measure than men.

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TABLE I

DIFFERENCES OF OPINION BETWEEN MEN AND WOMEN ON INITIATIVE AND REFERENDUM MEASURES VOTED ON IN MULTNOMAH COUNTY, OREGON, IN 1914

Number	Title of Measure	The sex more in favor of the measure (2)	Correlation coefficient (2) z^{r}_{xy}
1	Non-citizen immigrants disenfranchised	women	+0.47
2	Creating office of lieutenant-governor	neither	—0.06
3	Consolidating Portland and Multnomah County	women	+0.18
4	State credit for irrigation and development	men	—0.45
5	Classification of property for taxation	neither	+0.05
6	To establish state normal school at Ashland	neither	+0.11
7	To provide method of merging towns	women	+0.32
8	To increase pay of legislature	men	—0.22
9	Universal eight-hour day	men	—0.47
10	Eight-hour day for women	men	—0.30
11	Non-partisan judiciary	neither	—0.02
12	$1500 tax exemption (single tax)	neither	—0.06
13	Public docks and water frontage	men	—0.20
14	Prohibition	women	+0.49
15	Abolition of death penalty	neither	—0.01
16	Single tax heavily graduated	men	—0.22
17	Consolidation of Corporation and Insurance Depts	men	—0.31
18	Cheaper dentistry (Painless Parker bill)	men	—0.39
19	County officers' terms made longer	women	+0.29
20	Creating tax code commission	neither	+0.05
21	Abolishing Desert Land Board	men	—0.49
22	Proportional representation	men	—0.35
23	Abolition of state senate	men	—0.25
24	Department of industry for unemployed	men	—0.40
25	Primary election of delegates for nominating primary	men	—0.45
26	$300 tax exemption and two-thirds vote to amend	men	—0.45

(2) See footnote, p. 415.

pression, that the feeling seemed to be growing that too many measures were being placed on the ballot and that Oregon had done enough experimenting with the initiative for a while. From Table I, it seems that women voters in comparison with men were more opposed to the eight-hour day for women, to a single tax, to proportional representation, to the abolition of the senate, to extending certain functions of government and perhaps to spending public money and to the two conservative or reactionary measures on the ballot, numbers 25 and 26 (though these two measures were little understood), and that they were more in favor of prohibition and of making minor changes in governmental procedure.

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Radicals will no doubt conclude that women were reluctant to support reform measures. Conservatives will perhaps praise their caution and their "level heads" and justify their voting against a number of wild, absurd, badly drawn measures. Opponents of woman suffrage will probably argue from the smallness of the coefficients that women voted much as men except in a few cases, while its advocates will emphasize the propriety of their voting cautiously at their first election and particularly at a time of business depression.

Table I contains the conclusions of the study except as to the vote for president. Quite contrary to popular impression, the women of Portland seem to have voted more generally for Hughes and less generally for Wilson than men did. The coefficient of partial correlation between percentages of women voting and percentages voting in favor of Wilson, with the factors of conservatism or radicalism and of political party strength kept constant, is —0.27. The smallness of the coefficient, however, suggests that the divergence of opinion between men and women on the presidential candidates was not great.

2. *Discussion of the Measures Voted on*

Concerning the election in general, the year 1914 was the second year of an acute business depression, perhaps more severe in Oregon than elsewhere in the country because of the condition of the lumber industry and the previous decade of great development. Business depression probably has the effect of retarding social reform. Only four of the twenty-nine measures submitted at the election of 1914 in Oregon were passed. The election was the seventh held in the state since the adoption of methods of direct legislation in 1902. The well-known Oregon System has been developed largely through the initiative and referendum and is the pride of many Oregonians. On the other hand, a large number of them had come to feel that too many laws inimical to industrial development had been passed through the initiative and that social reform, if not an important factor in causing the depression, had gone too far ahead of reform in other states. There was much talk about the ballot being overcrowded with measures and some insistence

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that voters should vote "no" when ignorant or in doubt as to a particular measure. It was the second election in which women had voted. In 1913, they had voted on five referendum measures submitted by the legislature.

In describing the individual measures voted on in 1914, a summary of each will be given based upon a pamphlet prepared for the use of voters. In most cases, this will make clear enough the content and scope of the measures. Where this is not the case, it is hoped that the remarks which follow will do so. In the remarks on each measure the attempt has been made to point out where the issues were confused or complicated, and what occasional important local conditions affected the reactions of the voters. The conclusions are not quite as accurate for those measures that received small as for those that received large votes, and, therefore, it has been indicated when measures received small or large votes. Also, it should be noted that those measures which were widely and clearly understood and much discussed are truer indexes of opinion than measures that were less well-known. The measures are listed in the order in which they appeared on the ballot.

1. *Subject.* Constitutional amendment requiring voters to be citizens of the United States in all elections unless otherwise provided for in the constitution. Referred by the legislative assembly.

Remarks. In Oregon non-citizen immigrants who had taken out first papers had been permitted to vote for president of the United States. Women seem to have voted more generally for this measure than men did. It is interesting to observe that one of the first questions voted on by women after they had received the franchise was one to restrict the use of it. The measure was adopted by a large majority and received a large vote.

2. *Subject.* Constitutional amendment for the purpose of creating the office of lieutenant-governor, to act as governor in case of the inability of the governor to perform his duties, and to act also as president of the senate, fixing his salary at $10.00 per day, but only while the legislature is in session. Referred by the legislative assembly.

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Remarks. The creation of the office of lieutenant-governor had been voted on in 1912. The issue was quite clear, although there was little discussion of it before the election. There was no difference of opinion between men and women.

3. *Subject.* Constitutional amendment providing that when any county contains a city of over one hundred thousand inhabitants, the boundaries of such county and city may be made identical, the two governments consolidated, and the remaining territory of such county, if any, created into a new county or attached to an adjoining county or counties. Referred by the legislative assembly.

Remarks. At the time, this measure concerned only Portland and Multnomah county. It was not widely discussed and did not receive a large vote. Women were slightly more in favor of it than men were.

4. *Subject.* Constitutional amendment enabling the state to lend its credit or incur indebtedness in excess of fifty thousand dollars for building and maintaining permanent roads, constructing irrigation and power projects and developing untilled lands, but limiting the total credit and indebtedness for road purposes to two per cent. and the total credit lent or indebtedness incurred for irrigation and power projects and development of untilled lands to two per cent. of the assessed valuation of all the property in the state, making a total of four per cent. for both.

Remarks. This measure contemplated an extension of the functions of the state. It had received very little discussion previous to the election and did not receive a large vote. Women were considerably more opposed to it than men were.

5. *Subject.* Constitutional amendment omitting the requirement that "all taxation shall be equal and uniform" and providing for levy and collection of taxes under general law for public purposes only and prohibiting surrender of taxing power. Referred by the legislative assembly.

Remarks. This measure, in conjunction with another immediately following on the ballot, but omitted from this study, would, if passed, have made it possible for Oregon to change the general property tax. It was thought by nearly all authorities a

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desirable measure, as facilitating tax reforms, although perhaps some single-taxers, who would have "single tax" or nothing, opposed it. Although similar measures had been placed on two previous ballots, they were not clearly or widely understood. They received a very small vote and were lost by large majorities. There seems to have been no difference of opinion between men and women.

6. *Subject.* A bill for an act to levy annually a tax of one-fortieth of a mill on the dollar on all taxable property within the State of Oregon for the construction of buildings and the support and maintenance of the Southern Oregon State Normal School at Ashland, Jackson County. Referred by the legislative assembly.

Remarks. A similar bill, omitted from this study, was placed on the ballot and, if passed, would have established a normal school in western Oregon. Two measures similar to these had been on the ballot in 1910. It was a clear-cut question of supporting normal schools. The standard of Oregon in this matter is somewhat low as compared with that of other states. There had been some discussion and a fairly large vote was cast. The measure was defeated. It has been argued that women are more in favor of public schools than men are, but on this measure there seems to have been no difference of opinion.

7. *Subject.* Constitutional amendment authorizing the enactment of a general law to enable an incorporated town, city or municipality, by a vote of the electors interested, to surrender its charter and be merged into an adjoining city or town. Referred by the legislative assembly.

Remarks. This measure met no organized opposition, received little discussion, called out only a relatively small vote and was adopted. Women favored it more than men did.

8. *Subject.* Constitutional amendment providing compensation for members of the legislative assembly at five dollars per day for each actual working day and ten cents per mile in going to and returning from the seat of government by the most usual traveled route, *per diem* not to exceed three hundred dollars for any regular nor one hundred and twenty-five dollars for any extra session. Referred by the legislative assembly.

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Remarks. This would have resulted in an increase of two dollars a day for each legislator. A similar measure had been on the ballot in 1908. There was no confusion concerning the proposal, although the amount of discussion had been slight. The vote cast was of average size. The measure was decisively defeated. Women were more opposed to it than men were.

9. *Subject.* Constitutional amendment prohibiting any man, woman, boy or girl from being employed more than eight hours in any one day or forty-eight hours in any one week in any trade, business or profession, or on any farm, or in domestic service or in any kind of employment whatever, skilled or unskilled, mental or physical, within the State of Oregon. This law applied to children and other relatives of employers and provided penalty for violation thereof. Submitted by initiative petition.

Remarks. This measure received a very large vote and was overwhelmingly defeated. Men were considerably more in favor of it than women were.

10. *Subject.* An act to amend the laws of Oregon so as to limit the hours of labor and require certain conditions of rest for female workers and make eight hours a day's work, not to extend over more than ten consecutive hours in any day, in all manufacturing, mechanical, mercantile and cannery establishments and places of amusement, and laundries, rooming houses, apartment houses and restaurants, and telegraph, telephone, express and transportation businesses and office employments, and providing penalty for violation of the act. Submitted by initiative petition.

Remarks. Because this measure immediately followed the universal eight-hour law, it was thought that many voted against it who otherwise would not have done so. The issue was further complicated by the fact that Oregon had recently established an Industrial Welfare Commission whose function it was to regulate general conditions affecting women and minors, as well as minimum wages. Many voters thought it best to leave the hours of labor for women to be regulated by this commission. The measure was defeated; there was considerable discussion and it received a large vote. Women seem to have been more opposed to it than men were.

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11. *Subject.* A non-partisan judiciary bill to prohibit party nominations for judicial offices, including county judges, justices of the peace or district judges, circuit and supreme court judges, and permitting any person desiring any such office to be a candidate by filing with the proper officer a petition signed by one per cent. of the legal voters of the state or district in which such officer is elected. No nominations to be made at the primary elections; no name to be placed on the ballot at general election except those filing petitions. Submitted by initiative petition.

Remarks. The measure did not receive much discussion or a large vote and was defeated. There was very little difference of opinion between men and women.

12. *Subject.* Constitutional amendment to exempt from assessment and taxation, up to $1500, all kinds of personal property and land improvements, including dwelling houses, household furniture, live stock, machinery, orchard trees, vines, bushes, shrubs, nursery stock, merchandise, buildings and other improvements on, in and under lands made by clearing, ditching and draining, but not to exempt the land. Submitted by initiative petition.

Remarks. This measure was proposed by the single-tax group. Many variations of what is properly called the single tax had previously appeared on the ballot and had been defeated. This measure was vigorously fought, somewhat widely discussed and received a fairly large vote. In campaigning, the word "home maker" was often associated with the title of the amendment. There seems to have been no important difference of opinion between men and women on this measure. On another single-tax measure women more generally voted against it than did men.

13. *Subject.* A constitutional amendment prohibiting the sale of the beds of navigable waters (at bank-full stage) and subjecting the same to public use for water commerce, navigation and improvements in aid thereof; authorizing the construction of municipal docks on such land within the municipality or within five miles from its corporate limits and authorizing the leasing of such lands for the construction of private docks, when

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not needed by the public or municipality, giving one part of the rents to the municipality and one to the common school fund. Proposed by initiative petition.

Remarks. The issue in this measure (and in a similar one that immediately followed on the ballot but is not included in this study) was probably not perfectly clear in the minds of the voters because of the delineations of high water line, low water line and navigation line and because of certain court decisions on previous legislative enactments bearing on the problem. The measure was designed to help develop water transportation, but would probably have caused a great shrinkage in the value of land bordering on the river. These larger values of waterfront lands had grown, at least because of custom, if not of legal right. The measure, at any rate on the surface, concerned public ownership and public interests on the one hand and the rights of private property on the other. During the last few days of the campaign the measure was fought quite vigorously. Only a small vote was cast, and the measure was decisively defeated. Women were more generally opposed to it than men were.

14. *Subject.* Constitutional amendment to prohibit, after January 1, 1916, the manufacture and sale of intoxicating liquors within the State of Oregon, except upon prescription of a physician or for scientific or sacramental purposes. Proposed by initiative petition.

Remarks. The issue was clear. Prohibition measures had been on the ballot in previous elections. The measure was widely discussed, received a very large vote and was adopted. Women were considerably more in favor of it than men were.

15. *Subject.* Constitutional amendment to abolish the death penalty for murder committed in the State of Oregon and to fix life imprisonment as the maximum punishment for any crime. Proposed by initiative petition.

Remarks. In 1912, the voters had rejected a capital punishment measure by an average margin. The issue was well understood and received a fairly large vote. It was adopted by a very narrow margin. Contrary to expectation there seems to have been no difference of opinion between men and women.

16. *Subject.* Constitutional amendment to place extra tax

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on owners of realty, assessed value over $25,000, to wit: on each $100 over $25,000 and under $50,000, $0.50; over $50,000 and under $75,000, $1.00; over $75,000 and under $100,000, $2.00; over $100,000, $3.00; said personal tax not exempting the realty from regular taxes. Application of funds so raised to, first, the county's share of state revenues, second, the county's general school and library fund, third, the county's road and bridge fund, fourth, other expenses of the county. Proposed by initiative petition.

Remarks. This radical single-tax measure proposed by one wing of the single-tax group was not widely discussed or vigorously fought. It received only a small vote and was decisively defeated. Women were more opposed to it than men were.

17. *Subject.* A measure to consolidate the office of Corporation Commissioner with the office of Insurance Commissioner, the latter officer to transact the business of both departments, and to make the office of Insurance Commissioner elective, the first one to be elected at the regular biennial election in 1916; the Insurance Commissioner also to be Fire Marshal of the State of Oregon. Proposed by initiative petition.

Remarks. Consolidation of commissions was a popular term in Oregon in 1914. However, it was charged that this measure was initiated because of a personal grudge. It received very little discussion, called forth a very small vote and was decisively defeated. Women were more opposed to it than men were.

18. *Subject.* A measure to allow persons who have graduated from any reputable dental college which requires at least a two years' course of study of six months each year and persons who have been licensed to practice dentistry under the laws of any other state, to practice dentistry in the State of Oregon, and requiring applicants to file diploma or previous license, with affidavit of at least two citizens, attesting to applicant's good moral character, with the secretary of state, and repealing all laws in conflict. Proposed by initiative petition.

Remarks. This was the so-called "Painless Parker" measure. Appeals were made widely through street meetings on the plea of cheaper dentistry and of fighting the dental trust. The measure received a large vote but was defeated. Women were more opposed to it than men were.

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19. *Subject.* A constitutional amendment to make the term of county clerks, treasurers, sheriffs, coroners and surveyors, four years instead of two years. Proposed by initiative petition.

Remarks. This measure was little discussed, received a small vote and was defeated. Women were more in favor of it than men were.

20. *Subject.* A bill to require the governor to appoint a commission of five members to prepare a new tax code and present the same to the legislature first meeting after the appointment of the commission, and appropriating $2500 to pay clerk hire and other expenses of the commissioners. The members of the commission to serve without salary. Proposed by initiative petition.

Remarks. This measure was proposed by anti-single-taxers as a way out of the confusion of tax reform. There was little discussion, only a small vote was cast, and the measure was decisively defeated. There seems to have been no difference of opinion between men and women.

21. *Subject.* A measure abolishing the Desert Land Board and vesting its powers and duties in the State Land Board, making the State Engineer appointive by the State Land Board, instead of elective, as at present; the engineer in charge of the Tumalo Irrigation Project to act as State Engineer until 1916; abolishing the State Water Board and office of Superintendent of Water Divisions and substituting therefor a State Water Commissioner to be appointed by the State Land Board and making all officers affected appointive, instead of elective, as at present. Proposed by initiative petition.

Remarks. This measure was complicated and technical and was viewed in a good many responsible quarters as unwise. There was very little discussion. Only a very light vote was cast, and the measure was decisively defeated. Women were decidedly more opposed to it than men were.

22. *Subject.* A constitutional amendment to provide a method by which proportional representation in the legislative assembly of Oregon may be secured for all political parties and other voting organizations, in accordance with the number of votes controlled by each political party or voting organization

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respectively, prescribing that representatives shall be elected at large and not by districts, that each voter may vote for only one candidate for representative and that the sixty candidates receiving the highest number of votes shall be elected. Proposed by initiative petition.

Remarks. This measure was submitted by the People's Power League, an organization which had been responsible for many laws of the Oregon System, but which had lately been increasingly identified with pronounced radicalism and the single tax. Although proportional representation had been before the voters as part of a measure in a previous election, the subject seemed technical and was little understood. It received only a small vote and was overwhelmingly defeated. Women were more opposed to it than men were.

23. *Subject.* A constitutional amendment to abolish the state senate and have a legislative assembly consisting of but one house. Proposed by initiative petition.

Remarks. This measure was sponsored by the People's Power League, the State Federation of Labor and the State Grange and was associated with the name of U'Ren. It was discussed somewhat but did not receive a large vote. There were no complications of issue. It was decisively defeated. Women were more opposed to it than men were.

24. *Subject.* A constitutional amendment to establish a department of industry and public works under control of the State Labor Commissioner, providing for the employment of the unemployed citizens of the State of Oregon, the funds therefor to be derived from imposing a tax of not less than ten per cent. on all estates of deceased persons of value of $50,000 or over. Proposed by initiative petition.

Remarks. This measure was submitted by the Socialist Party and came at a time when there was much unemployment in the state. It did not poll a large vote and drew forth no unusual discussion. Women were considerably more opposed than men were.

25. *Subject.* A bill to authorize a primary election of delegates to recommend names of persons to be voted for at the primary nominating elections. Proposed by initiative petition.

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Remarks. This measure was opposed in radical and progressive centers of influence. It was also opposed by many conservatives. The use of the word "primary" may have been deceptive to those who voted after a hasty glance. It was not understood generally, received only a small vote and was overwhelmingly defeated. Women were decidedly more opposed than men were.

26. *Subject.* A constitutional amendment to provide for equal assessment and taxation for all property, exemption of $300 and also for exemption of such property for municipal, educational, literary, scientific, religious or charitable purposes as may be specifically exempted by law, and requiring a two-thirds vote to further amend or repeal the section. Proposed by initiative petition.

Remarks. The headlines of the title may have been deceptive to some voters and many may have overlooked the last clause in the title, which would have required a two-thirds vote to change the tax laws. The measure was opposed by progressive and radical thinkers and also by many conservatives. It was not widely understood. Only a small vote was polled, and it was overwhelmingly defeated. Women were decidedly more opposed than men were.

3. *Statistical Treatment*

Table II shows the precincts of Multnomah County (City of Portland) classified according to percentages of women voting and according to percentages of voters voting in favor of the eight-hour day for women. A glance at this table will disclose the fact that precincts with large percentages of women voting, voted in smaller percentages for the eight-hour day than did precincts with small percentages of women voting. The coefficient of correlation is —0.408. This would seem to indicate that women were more opposed to the eight-hour day for women than men were. Such a conclusion, however, may be unwarranted, because in Portland the working men's precincts probably have relatively fewer women in them than the precincts of the wealthier classes have. The table may, therefore, indicate only that working-men favor the eight-hour day more than the

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TABLE II

CORRELATION BETWEEN PERCENTAGES OF WOMEN VOTING AND PERCENTAGES OF VOTERS IN FAVOR OF THE EIGHT-HOUR LAW FOR WOMEN, BY PRECINCTS

Percentages in favor of measure of all voting, by precincts	Percentages of women voting of all voting, by precincts																													Total
	—2	—4	—6	—8	—10	—12	—14	—16	—18	—20	—22	—24	—26	—28	—30	—32	—34	—36	—38	—40	—42	—44	—46	—48	—50	—52	—54	—56		
—10	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	1	...	...	...		2
—15	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	1	2	...	...	...		4
—20	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	...	2	2	3	...	...	1		9
—25	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	...	...	...	1	2	...	1	5	1	...	...		10
—30	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	...	1	2	1	5	3	1	...	...	...		14
—35	...	...	...	...	...	...	...	...	...	...	...	...	1	1	...	...	...	2	1	2	2	6	4	2	1	1	1	...		24
—40	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	...	1	1	3	2	8	4	1	3	1	...	...		25
—45	...	...	...	...	...	...	...	...	1	1	1	1	1	1	1	2	1	3	4	7	5	4	3	1	...	...	...	...		37
—50	...	...	...	...	...	...	...	...	...	...	...	...	...	2	1	1	2	4	5	6	10	9	5	2	...	...	...	...		47
—55	...	...	...	...	...	...	...	...	1	1	...	1	...	...	...	4	1	3	5	10	9	10	2	1	1	...	...	...		49
—60	...	1	...	...	1	...	1	...	...	...	...	...	1	2	...	2	3	5	2	5	8	4	1	1	...	...	1	...		38
—65	...	1	1	...	1	...	...	...	1	...	2	...	1	...	...	2	2	2	2	4	10	1	1	1	1	...	...	...		33
—70	1	...	...	...	1	...	...	...	...	...	...	...	1	...	...	1	...	4	3	3	2	1	2	...	...	1	...	...		20
—75	...	...	...	...	...	...	...	...	...	1	1	...	...	...	1	...	1	...	1	...	...	...	...	...	...	...	...	...		5
—80	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...		2
Total	1	2	1	...	3	...	1	...	3	5	4	2	5	6	3	12	11	25	24	41	52	46	31	17	17	4	2	1		319

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wealthier classes do, as we already know, and may indicate nothing in regard to the way women voted. Can this difficulty be eliminated so that the table will indicate how women voted? In order to eliminate it, 65 precincts which were considered with reasonable certainty to represent the middle classes and not wage earners or capitalists, were selected with the assistance of a real-estate man. A table constructed on the basis of the 65 selected precincts showed, however, the same results as the table for the whole city, the coefficient of correlation being —0.45. It may have been that the criticism applied to the city as a whole also applied to the 65 precincts; that is, within the 65 precincts more women may have voted in the more conservative precincts. Therefore it seemed desirable to try to get another plan.

The method of partial correlation permits of the correlation of two variables, eliminating the influence of a third factor by holding it constant. For instance, if we could measure the degree of conservatism of the 319 precincts, we could eliminate its influence on the relationship measured. Then a coefficient of partial correlation between the percentage of women voting and the percentage voting in favor of a measure, with the degree of conservatism kept constant, would indicate the association between the percentage of women voting and the percentage in favor of the measure that would exist if the degree of conservatism were evenly distributed over the precincts. Our problem, therefore, was to find the degree of conservatism of each precinct and then work out the partial correlation coefficients.

After considerable experimenting, the following measure of the degree of conservatism of the precincts was arrived at. Two years previously, when women did not vote, the country voted on a number of measures, some of which were conservative, some progressive and some radical. The votes of the precincts on these measures at that time would seem to give a good index of the degree of conservatism in the precincts. Six of these measures were chosen as the base for our index of conservatism. Two of them were radical, one was progressive, and three were conservative. The average percentage of votes cast on the conservative side of these six measures in

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TABLE III

CORRELATION BETWEEN PERCENTAGES OF WOMEN VOTING AND THE INDEX OF CONSERVATISM, BY PRECINCTS

Percentages voting on the conservative side of six measures, by precincts	Percentage of women voting of all voting, by precincts																													Total
	—2	—4	—6	—8	—10	—12	—14	—16	—18	—20	—22	—24	—26	—28	—30	—32	—34	—36	—38	—40	—42	—44	—46	—48	—50	—52	—54	—56		
—27	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	1	....	....	....	....	....	....		1
—30	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	1	....	....	....	....	....		1
—33	1	....	....	....	....	....	....	....	....	....	2	....	....	....	....	....	2	....	1	1	1	3	....	....	....	....	....	....		11
—36	....	....	1	....	....	....	....	....	....	1	....	....	....	1	1	1	2	3	3	6	6	4	2	2	....	1	....	....		34
—39	....	2	....	....	2	....	....	....	1	....	1	....	..	....	1	2	2	4	4	5	9	1	2	1	1	....	....	....		38
—42	....	....	....	....	....	....	....	....	1	2	....	....	2	1	....	3	2	4	8	12	9	5	4	2	....	....	1	....		56
—45	....	....	....	....	....	....	....	....	....	....	....	....	....	2	....	2	2	3	3	3	8	7	1	....	....	....	....	....		30
—48	....	....	....	....	1	....	....	....	1	1	....	....	....	1	....	2	2	4	4	4	4	12	7	2	1	....	....	....		46
—51	....	....	....	....	....	....	....	....	....	....	....	1	1	....	....	2	....	3	1	4	8	3	5	3	2	....	1	....		34
—54	....	....	....	....	....	....	1	....	....	....	1	....	....	1	....	....	....	1	....	3	1	3	3	....	1	....	....	....		15
—57	....	....	....	....	....	....	....	....	....	1	....	1	2	....	1	....	....	....	....	1	2	5	1	1	2	1	....	1		19
—60	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	2	....	....	1	....	....	....	3	....	....	....		6
—63	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	1	....	1	1	1	2	....	2	1	....	....		9
—66	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	1	....	1	4	....	....	....	....		6
—69	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	1	....	1	....	2	2	1	....	....		5
—72	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	..	1	....	1	1	2	....	....	....		5
—75	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	1	1	1	....	....	....		3
Total	1	2	1	....	3	....	1	....	3	5	4	2	5	6	3	12	11	25	24	41	52	46	31	17	17	4	2	1		319

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each precinct seemed to yield a good index or measure of the degree of conservatism of each precinct. These six measures were: state-wide single tax; an amendment reorganizing the whole state government somewhat after the model of the English government; an eight-hour day on public works; a measure giving the mayor power to control street speaking; an amendment requiring a majority of the votes cast at the election for the adoption of constitutional amendments (a majority of

TABLE IV

CORRELATION BETWEEN THE INDEX OF CONSERVATISM AND THE PERCENTAGES OF VOTERS IN FAVOR OF THE EIGHT-HOUR LAW FOR WOMEN, BY PRECINCTS

| Percentages in favor of measure of all voting, by precincts | Percentages voting on the conservative side of six measures, by precincts | | |

votes cast on the particular amendment was all that was required at the time) and a similar amendment on the adoption of all initiative measures. That such a measure of the conservatism of the precincts is a good one is shown by the coefficients of x_3 in the regression equations which are listed at the close of the paper (Table V).

Table III shows that the more conservative precincts have larger percentages of women voting in them than the radical precincts have; the divergence is not great, the coefficient of correlation being +0.29. And Table IV shows that the conservative precincts voted against the eight-hour day for women while radical precincts voted for it, the correlation being —0.77. Granting these facts, our problem is to find whether precincts with large percentages of women voting, voted in greater proportion against the eight-hour bill than did precincts with small percentages of women voting, the factor of conservatism being kept constant. This the coefficient of partial correlation shows and on this bill it is —0.30, not so large as when the factor of conservatism was not kept constant, (—0.408). In other words, when we eliminate the factor of conservatism of the precincts,[1] we find that precincts with large percentages of women voting still vote in larger proportion against the eight-hour measure than the precincts with small percentages of women voting.

The same method of analysis has been applied to the other 25 measures[2] that we have just considered in connec-

[1] Conservatism is a general term and fluctuates somewhat in meaning. If each of the 26 measures had been voted on in 1912, when women did not vote, there could have been a separate variable to be held constant for each of the 26 correlations. This would have been more nearly ideal than a single variable of conservatism. However, only one measure was voted on at both election periods, the abolition of the death penalty. Using the vote of this measure as the third variable in finding the partial correlation coefficient for this measure, we find it to be —0.04, which is the same as the partial correlation coefficient (—0.01) when the third variable was the general index of conservatism.

[2] The interpretation of the partial correlation coefficients is somewhat more accurate on measures which elicited great interest and a large vote, partly for the reason that the issues were better known and also because the total number of women voting on the less well-known measures was somewhat smaller, the exact number on each measure being unattainable. However, a theoretical examination of the possible error shows that it could not have been very large.

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tion with the eight-hour day and the results are shown in Table I.[1]

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[1] The results shown in Table I practically conclude the discussion of method. However, it seems desirable to add a few comments which will be of interest chiefly to the reader with a knowledge of the method of correlation. The regression equations are found in Table V. In regard to the linearity of the regression equations, they are all clearly linear, except the regressions of X on Y and Z on Y. In these cases the differences between the correlation ratio squared and the correlation coefficient squared are about 0.12, and the errors of these differences are about 0.04. The fact that ratios have been correlated may lead to a suspicion of "spurious" correlation. There is no "spurious" correlation due to ratios, however. This conclusion is based on the analysis in Yule's paper in the *Journal of the Royal Statistical Society* for June, 1910, "On the Interpretation of Correlations between Indices or Ratios."

TABLE V

REGRESSION EQUATIONS, CORRELATION COEFFICIENTS AND PARTIAL CORRELATION COEFFICIENTS

Number	Regression equations	r_{xy}	$z\,r_{xy}$
1.....	$X = 68.07 + 0.35Y + 0.07Z$	+0.52	+0.47
2.....	$X = 19.69 - 0.05Y + 0.23Z$	−0.03	−0.06
3.....	$X = 45.18 + 0.18Y - 0.01Z$	+0.18	+0.18
4.....	$X = 48.66 - 0.38Y - 0.17Z$	−0.50	−0.45
5.....	$X = 42.09 + 0.04Y - 0.15Z$	−0.03	+0.05
6.....	$X = 48.64 + 0.09Y - 0.27Z$	+0.01	+0.11
7.....	$X = 65.97 + 0.29Y + 0.01Z$	+0.33	+0.32
8.....	$X = 27.03 - 0.14Y - 0.02Z$	−0.24	−0.22
9.....	$X = 89.94 - 0.55Y - 0.82Z$	−0.53	−0.47
10.....	$X = 118.94 - 0.33Y - 1.07Z$	−0.41	−0.30
11.....	$X = 49.64 - 0.02Y - 0.01Z$	−0.12	−0.02
12.....	$X = 96.32 - 0.05Y - 1.13Z$	−0.27	−0.06
13.....	$X = 88.12 - 0.18Y - 0.83Z$	−0.34	−0.20
14.....	$X = 31.54 + 0.78Y - 0.28Z$	+0.46	+0.49
15.....	$X = 73.33 + 0.00Y - 0.59Z$	−0.16	−0.01
16.....	$X = 82.55 - 0.22Y - 0.87Z$	−0.36	−0.22
17.....	$X = 54.63 - 0.27Y - 0.63Z$	−0.40	−0.31
18.....	$X = 100.66 - 0.46Y - 0.77Z$	−0.47	−0.39
19.....	$X = 29.89 + 0.22Y + 0.14Z$	+0.36	+0.29
20.....	$X = 17.03 + 0.04Y + 0.11Z$	+0.11	+0.05
21.....	$X = 36.40 - 0.32Y - 0.17Z$	−0.54	−0.49
22.....	$X = 66.62 - 0.32Y - 0.63Z$	−0.44	−0.35
23.....	$X = 79.98 - 0.22Y - 0.84Z$	−0.38	−0.25
24.....	$X = 80.36 - 0.41Y - 0.85Z$	−0.47	−0.40
25.....	$X = 20.44 - 0.28Y - 0.08Z$	−0.43	−0.45
26.....	$X = 40.36 - 0.33Y - 0.15Z$	−0.50	−0.45

X = Percentage of voters in favor of measure, by precincts.
Y = Percentage of those voting that are women, by precincts.
Z = Degree of conservatism, by precincts.

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PRICE FIXING IN THE UNITED STATES DURING THE WAR III[1]

1. *Chief Purposes in Price Fixing*

PRICE fixing in the United States was almost entirely the product of war conditions. In general, there were three chief purposes in fixing prices: (1) to secure production of needed commodities; (2) to prevent social unrest by checking profiteering, coördinating food prices and wages and stabilizing industrial conditions; (3) to assure government economy, both in buying munitions and in a fiscal sense.

In order to appraise the measure of success and the results of the price-fixing program, it is desirable to present a more detailed statement of the purposes of the price fixers. The con-

[1] Concluded from the POLITICAL SCIENCE QUARTERLY, vol. xxxiv, pp. 262–289. Supplementing the first installment of this article, published in the March issue of the POLITICAL SCIENCE QUARTERLY, the following facts, which have come to the writer's attention, are worthy of presentation:

(1) The price of silver was fixed by Congressional act of April 28, 1918, which, in dealing with monetary problems, provided for the stabilization of the prices and the encouragement of the production of silver. The act provided for the melting of 350,000,000 silver dollars and the sale of the bullion at $1.00 per fine ounce, and for the purchase of an equivalent quantity of silver from the mines and reduction works of the United States at $1.00 per ounce. As a result the price rose to approximately $1.00. This amounted to an indirect fixing of a minimum price.

(2) The Food Administration, about February, 1918, fixed a price of 9¢ per pound for arsenic. This was done by agreement with the producers, who stated that the price would yield a fair profit. The price of arsenic had risen from 4¢ before the war to 15¢ in February, 1918.

(3) The price of ferro-manganese was fixed for the 70% grade by informal agreement at $250 delivered.

(4) The prices of several chemicals were "fixed", chiefly for government purchase, among them being the following: Carbon tetrachloride, liquid chlorine gas (7½¢), phenol (28¢ per lb.), picric acid, and formaldehyde (16¼¢ lb.).

(5) The price of toluol was fixed at $1.50–1.55 per gal.

(6) The War Industry Board, in June, 1918, announced to the naval stores industries that the advance in prices of rosin and turpentine would have to cease.

(7) The Council of National Defense, in May, 1917, by agreement with the leading packers, "pegged" the price of hides for government requirements at the existing market rate.

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trol of output may be regarded as the first of these purposes. This may have been the result of a desire either to stimulate the production of war necessities or to check the production of unessential commodities. Its immediate expression, however, was found in the attitude toward profits. On the one hand, the price fixers sought to keep profits up in order to stimulate production, as in the case of timbers, iron, steel and crude oil. On the other hand, they sometimes sought to keep profits down in order to prevent the undue expansion of luxuries.

The prevention of profiteering was a second purpose, back of which lay the desire to allay social unrest. This found expression in such regulation as that of wool prices, the excessive advance of which was due to speculation in a market that was hysterical and artificial.

A third purpose was to control wages. In some cases, where the object was to keep wages up, this found expression in a number of price-fixing agreements, as in the case of copper and coal, which contained clauses providing that no reduction in wages should be made. It will be remembered that a labor representative was a member of the Price-Fixing Committee, and wage questions were in some cases brought before the committee as a factor in the price situation. The wages which it was desired to maintain were "real wages". In fact, a distinct purpose may be said to lie in the desire to keep "money wages" down. Mr. Hoover stated before a Harvard University audience that our entrance into the war had raised the question of controlling our food so as to reduce prices, "for", he said, "unless we can do so, we must meet a raise of wages with all its vicious circle of social disruption". Mr. Hoover is reported to have said also that "the high cost of living must stop, or we must have a continuous ascending wage scale; a continuous increase in wages usually undermines national efficiency". While these two purposes with regard to wages may be, in part, harmonized, it must be concluded that they are, in part, conflicting.

Another distinct purpose was to improve the government's financial situation. This purpose again may be divided into two: (1) to keep government borrowing and taxation down

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(a) by reducing profits made by producers and (b) by preventing inflation in prices, thus reducing the government's expenditure; and (2) by increasing the source of taxation from incomes and excess profits. Here again a conflict will be noticed. Taxes might be increased by increasing profits; but if profits should be increased, the price which the government, as a purchaser, would have to pay, would also be increased.

Perhaps a distinct class of cases may be recognized, in which the motive was to "stabilize" the market. On the whole, the cases of so-called stabilization were closely akin to those in which the object was to "stimulate" production, as they were directed partly toward helping the industry concerned or toward preventing a decrease in values when the government had become the holder of a stock of goods through some pooling arrangement or otherwise. Thus the price of hollow building tile was fixed, and orders were distributed, partly with the idea of keeping the plants alive; and the stabilization idea was also applied to the cement industry. This did not necessarily mean high prices, for hollow building tile in the commercial market brought from two to four dollars per ton more than the government price. "Stabilization" in different cases and in different proportions involved: (1) the equalization of prices between different territories (*e.g.*, cement), different products (*e. g.*, cottonseed products) and different producers (*e. g.*, mid-continent crude oil); (2) the prevention of considerable change in price, up or down, (*e.g.*, wheat and silver); and (3) the prevention of decreases in prices, either generally or in particular cases (*e.g.*, hogs).

The idea of allaying social unrest appears in the purposes of keeping "real wages" up, preventing profiteering and reducing government expenses.

From another point of view, the whole price-regulating mechanism was a part of the necessary machinery for the distribution of those necessaries which had become so scarce as to be insufficient to gratify the usual wants of the nation. This can be illustrated by sugar and sulphur. In other words, prices were regulated in order to have some fair valuation take the place of normal, competitive conditions which had been lost for

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one reason or another. This is the strongest way to put the case in favor of price fixing. In some instances, the government had to buy practically the entire available supply, as was the case with copper. Wherever unified buying on a large scale was necessary, price fixing was called for, since such unified buying virtually amounted to commandeering. Certainly when there is no competition among buyers an abnormal condition exists. Moreover, in some cases, the existence of sellers' monopolies was recognized, and partly on this ground the price of sulphur, nickel and aluminum was regulated. When the market was so affected by panic and speculation as to be highly abnormal, this same result followed. An interesting case is furnished by the wool market in 1917 and 1918. There was no shortage in the supply of wool, and consumption in 1918 was little, if at all, greater, than in 1917. Nevertheless, there was an extraordinary advance in price, due to ignorance and to speculative conditions; and abnormal stocks, of both wool and cloth, were carried by the manufacturers. Under such circumstances price fixing was perhaps needed.

The relation between price fixing and control over the conditions of demand and supply is close and important. If prices are fixed, it may be necessary to control the demand or the supply or both. A low price on sulphur would have invited non-essential uses. The high guaranteed price on tin required a limit of importation. On the other hand, if either demand or supply or both are controlled, it may be necessary to fix prices. For example, the price of rubber was fixed as an incident to a control over shipping and imports. When the government took all of the product, like platinum, or restricted output or controlled priorities, it was natural also to fix the price. It is interesting to note that no appreciable traces can be found of a purpose to control the consumption or demand through price regulation. Prices were not made high to check consumption, nor were they made low to increase the volume of business and thus decrease cost of production. Apparently, as to the reaction of price on industry, prices were fixed with regard to production and supply and were not used as they might have been, as a dynamic factor in the molding of individual demand curves.

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2. *Results Obtained from the Price-Fixing Program*

The stimulation of production was one of the chief purposes in fixing prices. And this purpose was frequently realized. Ship timbers were secured in great quantities; manganese ore was developed in a way that would have seemed impossible a few years before; and supplies of quicksilver, copper, steel and crude oil sprang from the ground as if by magic. The magic was the lure of high profits which resulted from high prices. Indeed, it was relatively easy for the government to get results when the object was to stimulate production by high prices, and the greatest measure of success was secured in this way.

The somewhat conflicting object of securing lower prices in order to prevent social unrest, profiteering *etc.*, was not so easy to attain. Some substantial reductions were obtained, however, notably on wool, sugar, sulphuric acid and coal, all of which are important products from the point of view both of war munitions and of civilian cost of living. The price of flour, too, while higher than necessary, was by regulation made appreciably lower than it otherwise would have been. In the case of sugar, during 1916–17, and before government regulation, the price had risen greatly and beyond any justification by increased cost. The Tariff Commission found that the average proportion of the total output of sugar, which was produced at a profit, was about 87 per cent. In 1916–17, however, the figure had increased to 99 per cent. Then came price regulation, and the Commission found that the total output protected from loss by the Food Administration price was reduced to a little over 89 per cent. This was in spite of the fact that the same forces were at work in 1917–18 as had caused the rise in 1916–17. Although the Tariff Commission's figures are not entirely conclusive, for the reason that there may have been a larger number of inefficient high-cost producers in the business in 1917–18 than in the previous year, and that the companies in the two years were not identical, it seems fair, nevertheless, to conclude that considerable results in the way of checking profiteering were secured in this case.

On the whole, it is our well-considered opinion that profiteering, while it existed in 1918, was appreciably less excessive

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than in 1917,—a year of extraordinary profits.[1] In part, this fact was due to increased costs and to adjustments in production and consumption; but in part—in the basic, controlled industries—it was due to price regulation. The fixing of prices did not prevent or abolish profiteering; it somewhat moderated the evil.

As to the reduction of the output of unessential products, we know of no case in which this was effectively accomplished by price regulation. Through control of priorities and the lure of cost-plus contracts in other fields the end was attained but not by reducing prices.

There can be little doubt that price fixing helped to raise wages and to keep them up. Indeed, great anxiety was displayed by the government lest wages might be reduced. The insidious cost-plus plan caused the rapid bidding-up of labor, and prices and rates were adjusted to the new wage levels. This sanctioned high wages. We have been unable to find any cases in which money wages were reduced or kept down.

It would be hard to say how important a part the desire to stabilize industrial conditions played in the fixing of prices, but it is certain that this was one of the beneficial results. In a period like that which attended the declaration of war by the United States, there are apt to be extreme reactions in the

[1] The following statement, compiled from Sen. Doc. No. 248, 65 Cong., 2 Sess., is believed to be fairly representative of the percentage of net earnings to investment:

Year	U. S. Steel Co.	48 Lumber Cos.	106 Oil Cos.	21 Copper Cos.	20 Bituminous Coal Cos.	"Big 5" Meat Packers
1913	—	—	—	11.7%	—	6.2– 7.3%[c]
1914	2.8%	—	15%[a]	—	—	— —
1915	5.2%	—	—	—	—	— —
1916	15.6%	5.2%	—	—	20 ¢[b]	— —
1917	24.9%	17.0%	21%[a]	24.4%	90 ¢[b]	16.8–26.7%

[a]—approximate.
[b]—margin per ton.
[c]—Average for 1912–1914.

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market, accompanied by all degrees of panic and speculation. The fixing of maximum prices may prevent extreme advances and thus avoid such violent reactions as took place in the common zinc industry. In this industry it was found that in the latter part of 1917, no price regulation was required, for the reason that the market price was less than the cost of production, a condition that was the direct result of the extremely high prices which had prevailed a few months previously. The high prices had stimulated production to such an extent that the capacity was in excess of the quantity demanded, and extreme depression followed. When times are more normal, it may be satisfactory to allow price changes to work out adjustments between quantity demanded and output; but in such conditions as existed during the war, it is our opinion that the fixing of maximum prices, if wisely done, is beneficial. It seems clear that this conclusion is illustrated by the case of grade A zinc. Had the price not been fixed, there can be no question but that there would have been a rush to increase the output, with results which would have been similar in kind to those which occurred in the case of common spelter. We know of several companies which were considering going into the field but were deterred by the fact that a maximum price was fixed. Much the same may be said of zinc sheets and plates and of sulphuric acid. The lumber industry also would undoubtedly have undergone a condition of severe depression, had prices been allowed to take the course which the more short-sighted representatives of the industry desired them to take.

Of course, the foregoing applies only to those cases in which the prices would have gone higher than the maximum fixed. It is undoubtedly true that in a few cases, at least, the fixing of a maximum price became the means by which prices were maintained at or near the maximum, which would otherwise have remained at lower levels, or at least, would have done so if effective competition had existed. In our opinion, this is true at least of crude petroleum and certain canned vegetables. Moreover, toward the close of the price-fixing period, the Price-Fixing Committee authorized copper producers to maintain a

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price of 26 cents,—if they could,—a fact which probably served to delay somewhat the subsequent drop.

Closely connected with the foregoing results was the moderation of social unrest, which the price-fixing program insured. While it is impossible to measure such a result, there can be no reasonable doubt that the very fact that "something was being done" tended to allay the discontent and suspicion which advances in prices and rumors of profiteering had caused to spring up in the public mind, and the real achievement made in moderating price advances in the case of such commodities as sugar, wool and coal, at least tended to offset the effect of apparently unchecked increases in the prices of cotton, shoes and meats. It may also be surmised that the degree of stabilization insured by the price-fixing program was an important factor in this regard.

The foregoing results were, on the whole, direct, tangible and good. Certain other good results were tangible but incidental. For example, appreciable economies were secured in the distribution of several important commodities, notably coal. By a system of zoning, unnecessary transportation was avoided. Moreover, in the operation of railways much of the wastes through competition in service were eliminated, although it seems probable that at the same time the service deteriorated. Production was made more economical in several industries, as is illustrated by the saving of waste in threshing wheat and by the adoption of devices for recovering potash from the process of making Portland cement.

One of the chief incidental advantages was the introduction of cost-accounting methods in numerous industries. When it became necessary to base prices or profits upon an exact knowledge of the cost of production, the much vaunted efficiency of American business was frequently put in a bad light. The Federal Trade Commission found that in few industries was it possible to ascertain exact costs, except by long and difficult labor. The lumber industry furnishes a good example of one which took advantage of the situation to encourage the introduction of cost-accounting methods. To the extent that American business men were induced to ascertain their costs more efficiently by the war, a notably good result was secured.

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Certain intangible advantages may be mentioned here, although it is impossible to measure them. Among the chief of these was the introduction of a spirit of practical patriotism. The business men of the nation were forced to partake in what may be called "social team work", and at least to act as though they were taking a social point of view. Common dangers, common wants, common regulations, inducing common action, were bound to bear fruit. This found expression in the regulations adopted by the various administrative bodies at Washington, such as zone prices and distribution, the stimulation of production according to needs, the checking of production of things not necessary (*e. g.*, alcohol), the recognition of the principle of a "living wage", the prevention of speculation, hoarding, undesirable reselling *etc.* and the equalization of supply (*e. g.*, sugar). To the extent that the adoption of these measures resulted in a real education of those affected, great permanent good was accomplished.

It must be observed, however, that the regulations just referred to were sometimes warped by the acts of the officials who enforced them and were not infrequently evaded. Moreover, they were to some extent offset by the stimulus given to organizations for private gain. One of the most notable results of war-time conditions, which was encouraged by price regulation, was the rapid growth of labor organizations, farmers' organizations and business associations. However desirable these may have been for some purposes, it would have been better if they had had a more normal growth. Under war conditions, too, the trade associations were able to go to great lengths in restricting competition and controlling prices. The result of this has been the establishment of a gild-like organization of industry which may utterly change the competitive system. Hardly an industry of any importance can be named in which an association was not either created or strengthened as a result of the price-fixing activities of the government, and in bargaining with the price-fixing agencies selfish interests were frequently aroused and made effective. By inducing clashes between the interests of particular industries and those of the government, forces tending toward social solidarity were, in part, counteracted.

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Moreover, several infant industries were created with the result that selfish interests were called into play. The war stimulated such industries as those concerned with manganese, chrome, magnesite, tungsten and potash, some of which are now insisting upon protection by the government. The attitude of wheat and cotton farmers, too, has not been an entirely healthy one.

These forces tending to counteract social solidarity suggest some of the bad results of price regulation. Probably first among these should be mentioned the perversion of the forces which determine the margin of production, with the result that the weeding-out process in industry was seriously retarded. In several important industries the marginal cost, upon which the price was based, was the cost of an inefficient concern; and prices were fixed so high that concerns which under normal conditions, could not have survived competition, were encouraged. Moreover, the unnecessary utilization of inferior supplies of raw materials and inefficient means of production, was made possible. In the copper and lumber industries, not only were high-cost mines and mills protected, but they were enabled to take advantage of the situation by exploiting low-grade ores and inferior tracts of timber. And cases were not rare in which companies resorted to inferior sources of supply in order to show high costs. At best, price fixing tends to take costs for granted and to prevent that struggle for survival among different methods and sources of supply which is so important in leading to efficiency in production. A more perfect price-regulating mechanism might have minimized this tendency, but to some extent it is an evil inherent in any price regulation.

Another bad result of price fixing was over-capitalization. This would necessarily have attended the advance in prices caused by inflation. The point, however, is that by fixing prices under such conditions, there was a tendency to recognize and perpetuate over-capitalization, a tendency further encouraged by rulings of the Treasury Department which recognized appreciated values set up for such assets as ore and timber. In our judgment, when the volume of the circulating medium or the value of the standard money unit comes to be reduced,

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this evil result of price fixing, by making readjustment difficult, will be apt to cause an industrial strain and perhaps even a severe crisis.

In some cases, price fixing resulted in such lack of economy that the average price paid by the government was probably higher than would otherwise have been the case. The adoption of the "cost-plus" idea, by eliminating risk from the producers' calculations, promoted inefficiency. Unnecessarily high wages made for labor inefficiency. Price fixing was used to sanction non-competitive prices at higher levels than conditions of demand and supply would have warranted. The manufacturers of cement, for instance, came before the Price-Fixing Committee with extravagant claims based on cost figures. Nor were they the only ones. In such cases the tendency was to "split the difference". It was common for associations and committees representing them to line up in demanding a certain price and then to maintain the price sanctioned by the price-fixing agencies.

It is probable that discriminations were involuntarily made among different industries. Indeed, it would be strange if there had not been some results of this sort, for no body of men can be sufficiently wise and well informed to prevent their holding some prices down to lower levels than others, especially in the face of the operation of a general force like that of inflation.

Of course, evasion of price-fixing regulations reduced somewhat both the good and the evil results. Professor Warren, of Cornell University, who has studied the price fixing of grain and grain products, maintains that such regulation was ineffective in many cases and that by combination sales and by mixing with other feeds, a price higher than that fixed was often charged. Certainly the control of flour prices by the Food Administration through the regulation of margins, was partly ineffective; and the provision for limiting the profits of the big meat packers to 9 per cent. proved entirely futile, their profits being over 20 per cent. on investment in 1917 and a similar percentage in 1918. On other commodities, sales were made to individuals, who falsely claimed to be government contractors, and frequently when the price was fixed for the govern-

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ment only, a virtual evasion was accomplished through sales at the unregulated public prices to persons who were indirectly producing for the government.

At the end of the war, it became apparent that in not a few important cases prices had been fixed at levels which were higher than was necessary. It is a striking fact that in the arguments published by the Industrial Board, Mr. Redfield sanctioned the conclusion that prices during the war had been, on the whole, "fixed" at too high a level. Certainly this opinion was heartily agreed to by the Railway Administration—at least in the case of steel products. It became apparent that costs and scarcity had both been exaggerated, while on the other hand, over-zealous or over-cautious government officials had made unnecessarily large purchases. There was much concern in some quarters about a probable drop in prices, and steps were taken to prevent it. The Copper Producers' Committee appeared at Washington and asked for protection. The Iron and Steel Institute requested a continuation of price regulation. In fact, on November 15, 1918, an agreement was made between the copper producers and the War Industries Board, which amounted to saying that the government would continue to pay 26 cents per pound for the copper for which it had contracted, and that it would sanction the continuation of the prevailing understanding among the producers, according to which they might concertedly demand 26 cents per pound.

Other illustrations of the situation may be mentioned as follows: In November, the committee on cotton distribution ordered that there should be no short selling in the cotton exchanges at New York and New Orleans. In December, the War Department announced that army stocks of materials would be sold gradually, so as not to break the market. Early in 1919, it became apparent not only that there had been no scarcity of tin in the United States when the Inter-Allied Tin Control became effective, but that there was a large surplus. The manganese ore price proved to be so high that the market became over-stocked in the latter part of 1918, and buyers refused to consider offerings at the established prices. As has been pointed out in an earlier article of this series, it proved

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difficult to keep up the prices on various cottonseed oil products. Partly as a result of the open winter of 1917–18, it was found that in the fall of 1918 there was a surplus of coal, and the mines were called upon for light production. Even in the case of steel, there was, as a matter of fact, a good supply, and at the end of the war neither the railways nor the mines had to rush into the market for large quantities. It seems that those in charge of the shipbuilding program and of the ordering of steel for the Navy and for France, constantly insisted on steel shipments much in excess of current needs, which resulted in an accumulation of that product.

It cannot be denied that it was well to play safe and to allow for a possible continuation of the war. Also, by economical methods, considerable savings in consumption were effected. Nevertheless, it is our conclusion that the prices of several important regulated commodities were probably somewhat too high at the time the armistice was signed. It may be that the *Engineering and Mining Journal* put the matter too strongly when it said, "Junior officials, without any thoughtful estimates of military consumption, bought recklessly of goods produced by labor at a fantastic wage scale" (Feb. 1, 1919) and that the armistice found the United States overbought in nearly every commodity. While there was probably something of this sort, we would emphasize, as the seat of the trouble, the fact that in fixing prices inefficient producers were kept alive by accepting an unduly high marginal cost.

3. *Criticism of the Chief Price-Fixing Agencies*

The work of the Price-Fixing Committee of the War Industries Board was in the main a "trading proposition". While considerable pressure could be, and in some cases was, brought to bear upon an industry, there was generally an effort to reach an agreement, in which considerable bargaining was used. The Price-Fixing Committee knew that the government must depend upon the cooperation of the industry in order to prevent evasion and to secure the service which was so important. The industry knew that the Price-Fixing Committee had great power through control of priorities and of public opinion. Various factors

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affected the situation as the different bargains were driven. Sometimes a particular government department, such as the Navy, was immediately interested in securing a lower price, and then the tendency was for the Price-Fixing Committee to drive a sharper bargain. If there was considerable public interest in the price, the article concerned being of wide, general use, the same tendency existed. If the quantity involved was small, no great part of the total output being concerned, it was easy to reach an agreement, and in such cases concessions were sometimes made to the government, while in others, possibly the government did not make so careful an investigation or attempt to ascertain accurately the lowest possible price. One of the most important factors in the bargaining was the degree of organization of the producers. Those industries which presented their cases before the Price-Fixing Committee through a well organized committee, or even a single individual, were apt to secure better results from their point of view. This is well illustrated by the fact that the Southern Pine Association secured prices which were not so close to cost as were those secured by the relatively unorganized representatives of the western logging and lumber companies. Finally, the practicability of commandeering the plants of the producers played an important part. When the Price-Fixing Committee knew that there were thousands of small plants, it felt that its dependence upon the good will and cooperation of the industry was greater than in other cases where government operation was more practicable. An extreme illustration of this occurred in the reluctance of the Price-Fixing Committee to take up the matter of wholesale and retail prices on such commodities as lumber.

A large part of the work of the Price-Fixing Committee of the War Industries Board was in effect equivalent to giving representatives of the industry concerned considerable authority to get together and agree upon a price which would insure profit to most of the producers. A maximum price was named, and those engaged in the industry then lined up and charged the maximum price. Witness the situation in copper, cement and steel.

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Naturally enough, with this condition of bargaining and "agreed" maximum prices, the prices of certain things were fixed too high. This sometimes occurred for the reason that the price was named as a mere maximum, while in reality it was also a minimum. But the chief trouble was that the marginal cost was too liberally construed. Generally it included large salaries for officers and directors (containing an element of profit), as well as liberal allowances for the replacement of raw materials owned on the basis of market value. Generally, too, the risk of loss was largely removed by the price-fixing operation,—aside from an uncertain future element owing to doubt as to the duration of the war. Above all, a profit was allowed to the marginal company, for there was added to the marginal cost an allowance of 10 per cent. on investment, considerably more than interest. A marginal company, under competition, gets no differential profit; the efficiency differential is secured by low-cost companies only. To add to all this, the 10 per cent. allowance was generally figured on a capital investment which was in excess of the true net investment. Indeed, the investment was not determined at all in some cases. It is no wonder, therefore, that prices were fixed at too high a level. This found expression in the utilization of inferior natural resources by many companies.

Surely there is some limit to the justification of profits on the ground of marginal cost. Take any case in which there is known to be profiteering. If no limit is to be placed upon marginal cost, it would only be necessary to start up some extremely inefficient plant in order to obscure the whole situation. Good work was done by the Price-Fixing Committee in eliminating from consideration abnormal plants or companies, but in our judgment not enough of this was done. In determining the margin, the proportion of the total product produced at a cost above the marginal cost should be considered, together with the history and efficiency of such submarginal operations and also the possibility of securing the total necessary supply from supramarginal companies. In a word, the agencies acting for the government should have exhausted every effort to secure as much as possible of the necessary supply from low-cost companies and to that end should have brought more pressure

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to bear by refusing to consider small high-cost companies and by *demanding the maximum output from low-cost companies.*

The policy of "stabilizing", which is closely related to the vicious idea of "keeping business as usual", tended to keep the inefficient alive, thus guaranteeing higher and higher differentials in industries which required no stimulation, (*e. g.* lumber and cement). This made the consumer carry the burden of the overhead expenses of unnecessary plants and prevented the concentration of the factors of production at points where they would be most effective.

The failure of regulation to hold prices to a closer relation to cost, enabled the accumulation of enormous surpluses or reserves in the hands of powerful low-cost companies. These they can use to tide over lean years during which weaker companies will fail. It would possibly have been a kinder and more wholesome policy to have used the knife more freely.

A large part of the activity of the business men who represented the War Industries Board in its price control, was unconsciously directed toward protecting the industry against what they believed to be drastic regulation and demoralization. Immediately upon the signing of the armistice, these men felt greatly relieved and proceeded to various points on the coast of Florida. This helps to explain why the Industries Board disbanded so promptly without taking steps to regulate prices during the transition period. One cannot but wonder why, if price regulation was regarded as a good thing and had been well done, it should have been dropped so incontinently. The period of transition to peace was a delicate one in which the stabilization of prices was desirable. The conditions existing in October, November and December, 1918, were as much war conditions as those which had existed in July, August and September. Why, then, did the War Industries Board practically cease to function?

We shall not undertake to criticise the work of the Fuel Administration on coal prices further than to say that in our judgment, the chief error lay in the precipitous attempt to fix prices at the beginning without sufficiently detailed information as to

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cost. This resulted in fixing uniform prices for large areas within which conditions differed widely. As time went on the work was more and more carefully done. A few words should be said, however, concerning the work of the Oil Division of the Fuel Administration. This furnished an illustration of unusually close cooperation between the industry and the government, and its operations were controlled by men who were personally interested in the industry. Certainly, its work was effective in securing the needed supply of products, which was the chief end to be accomplished. It is a fair question, however, whether the same quantity of oil could not have been secured at less cost to the government and the people. The last advance in crude oil prices was, in our opinion, entirely uncalled for, and this opinion is shared by many oil producers. Indeed, the advance was not made as large as that which the Oil Division had originally intended. The principal factor in oil scarcity was not the price but a shortage in equipment and transportation. It is our opinion also that the figures given out by the Oil Division did not always convey a correct impression. For example, the same argument for "gasless Sundays" that was made in 1918 could have been made in any year from 1914 to date, as it is always the case that surplus stocks of gasoline are accumulated from December to April, and that such stocks thereafter decline until the fall months, when the refineries run practically from hand to mouth. Moreover, it is doubtful if the figures showing a great decrease in crude oil storage after June, 1918, can be justified, a sudden decrease of approximately three million barrels being indicated which cannot be explained by the export figures. Finally, the public was led to believe that the stationary price of gasoline was an achievement, while as a matter of fact, to hold gasoline prices up at the same time that the prices of fuel oil and lubricating oil were greatly increased, was virtually equivalent to advancing the price of gasoline. The oil industry, with the exception of cotton, was the one great basic industry of the country for which there was virtually no price regulation. This was the achievement!

With regard to the Food Administration, it must be said in advance that the problem was peculiarly difficult, as it involved

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prices to the consumer, and almost every case was one in which there were substitutes. Nevertheless, as long as the attempt was made, it must be judged, and it is a fact that the Food Administration's price regulation illustrates too many of the evils of the so-called "cost-plus basis". The attempt was made to regulate margins, and, especially as fixed margins were named, much manipulation of accounts was invited. Little was done, however, to determine costs. The object was, largely, to impress the public and to allay social unrest. Prices were agreed upon at conferences between groups of interrelated industries and were fixed on a rough and ready basis, dependence being placed upon what had been the usual return in the past. Any one will look into the results of price regulation in the case of flour and canned goods (vegetables, fruits and milk) will find how unsatisfactory the results were. In the case of canned milk, for example, the price of raw milk was not fixed. Manufacturing costs were not checked. At one time, as high as 50 cents per case of "talls" was allowed. The price of interrelated products was not controlled, as a result of which cheese makers could not afford to pay the price for milk that the condensers could pay.

On the whole, it may be said that price fixing in the United States suffered from the lack of a program. No adequate study was made of interrelations between commodities or of the various complicated factors affecting demand and supply. No general principles were formulated. Too frequently, each step was taken up as a separate proposition. Much trouble would have been saved by a better understanding among the different price-fixing agencies and by the adoption of certain broad fundamental principles, such as the basis for determining marginal cost ("the bulk line figure") and the basis for determining investment.

There should have been a general board of strategy to supervise the entire price-fixing program and to coördinate it with the government's fiscal arrangements and with the various steps taken to control production and consumption through priorities and rationing. Some progress was made in this direction, as has been pointed out in a preceding installment of this article.[1]

[1] POLITICAL SCIENCE QUARTERLY, vol. xxxiv, pp. 115–118.

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But it remains true that the price-fixing operations were not sufficiently correlated with taxation and borrowing (inflation) on the one hand, and with rationing and priorities on the other. The price of eggs *e. g.* was regulated without regard to the price of hen feed, with the result that hens were slaughtered. The price of wheat was fixed without fixing the price of other grain substitutes therefor. The price of coal was fixed, but not of fuel oil; of cottonseed, but not of cotton,—while a different body, actuated by different motives, fixed the price of cotton linters. After all, price fixing, control of production and consumption, taxation, and government borrowing, all are concerned with price, and all affect the adjustment of labor and capital, saving and the distribution of wealth. The lower the price and profits, for example, the less the inflation required, while not only is the source of income taxes reduced, but also the need for such taxes.

As a result of not coördinating price regulation with taxation policy, conflicting purposes were allowed to function, loose methods were encouraged, and prices were not so carefully fixed, nor taxes so carefully applied, as would have been the case had the two matters been considered together. This fact is concretely illustrated by the virtual clash between the "cost-finding" principles of the Federal Trade Commission and the rulings of the Internal Revenue Department with regard to the determination of investment. The lack of coördination between price regulation and the control of demand and supply is illustrated by the fact that prices were sometimes raised unnecessarily when the real need was for priority (*e. g.*, oil); and, in the case of cement, prices were actually raised to keep plants alive, while at the same time the output of the industry was curtailed by a reduction in the coal allowance. When the whole price-fixing and industrial-control "program" is regarded as it should be, that is as a national policy, it becomes apparent that it was highly opportunistic. While intimidating some to observe retail grocery prices and to buy liberty bonds, while compelling some to live up to the rationing regulations concerning sugar and flour or to sell at prices carefully fixed on the basis of cost, the government was appealing to others on the score of patriot-

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ism and was virtually bribing still others through high profits and was facilitating the whole scheme by the dangerous expedient of continual inflation.

4. *Conclusion*

It is our conclusion that price fixing is, in war time, a necessary evil.

In the first place it is necessary. The chief grounds of necessity, some of which did not have much influence if any, were as follows: (1) To replace competition where this force disappears or becomes abnormal. Unified government buying increases the field of monopoly, and conditions of ignorance and panic make a reliance upon the forces of demand and supply in many cases impracticable; (2) To serve as part of a system of control of demand and supply. The use of priorities, rationing *etc.*, causes changes in demand and supply forces which require an appropriate adjustment in prices; (3) Price fixing in the shape of a guaranteed price is necessary in some cases to insure the adequate production of needed commodities; (4) Price fixing may be used to advantage for the purpose of stabilizing markets when such markets would otherwise take on a "run-away" condition.

Nevertheless, price fixing even when necessary in time of war, is an evil or at least has its evil side. Any price fixing is bad in the sense that some of the advantages of free competition are abandoned, the most notable loss being that of the "weeding out" process which attends competition. As a result, there is no guarantee that the margin of production will be economically determined. The adjustments required among different industries are also sure to involve some which are discriminatory in character.

The evils of price fixing may, in our opinion, be reduced to such a minimum that *in war time* the advantages gained thereby outweigh the disadvantages. On the whole, it is our opinion that such was the case in the United States, but that the balance in favor of the price fixing was, on account of the way in which it was done, much slighter than it should have been.

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HOW MASSACHUSETTS ADOPTED THE INITIATIVE AND REFERENDUM

I

AGITATION in favor of the initiative and referendum began to make headway in Massachusetts in the early nineties and secured the indorsement of a Republican governor. But repeated attempts to obtain from the legislature the passage of a resolution for submitting to the people a direct-legislation amendment met with discouragingly adverse majorities.

After years of disappointment, a flank movement was resorted to. Abandoning for the time their campaign for out-and-out direct legislation, the advocates of the initiative and referendum for several years concentrated their forces upon an attempt to enact a "public opinion" law, under which, upon petition of a certain number of voters, specific questions of public policy might be submitted to the people at the state election, the supposition being that their *yes* or *no* verdict would have weight as an instruction to the senators and representatives in the legislature. There was little enthusiasm for the successive public-opinion bills; they fell far short of what their sponsors were really seeking, while their opponents not only assailed the theory upon which they were grounded but easily exposed the fallacy involved in the claim that such laws would restore the traditional practice of instructing representatives,—as if a random majority vote from all over the commonwealth were the same thing as a specific instruction to a representative passed after debate in his presence at the very town meeting before which he was standing for election.

In 1913, however, a public opinion law was passed which eliminated that objection. It provided that on petition of a certain number of voters in a given district a question of public policy might be submitted to the voters of that district, but no vote under this law was to be regarded as an "instruction" un-

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less an affirmative answer was given by a majority of the entire number who voted at that election. Advantage was at once taken of this law to secure votings on the question of submitting to the people a direct-legislation amendment. In 1916, that question appeared upon the ballot in 37 districts; and in every one of them a majority of those who voted upon it was recorded in favor of submitting the amendment, but in only 9 districts did the *yes* vote outweigh the aggregate of the *no* votes and the blanks. In consequence, only 9 out of the 37 legislators then elected were "instructed".

Meantime, in 1912, the legislature had initiated a constitutional amendment "to authorize the referendum by vote of the general court". Passed a second time by the legislature of the following year, it was ratified as a part of the constitution, November 4, 1913. But this measure was more popular in title than in effect, for the people's verdict could be invoked only by the legislature, a party in interest, whose members might add a referendum clause to a dubious measure quite as much from a desire to dodge responsibility as from a belief that such action would serve the public interest.

Heartened by the progress which direct legislation was making in other states, its advocates renewed their efforts in Massachusetts. But again they shifted their plan of campaign. Since the legislature had proved persistently hostile to their proposal, they now launched a movement for the calling of a convention to revise the constitution.

Here there was some basis for a popular appeal. Alone among the constitutions of the older states, that venerable institution of government, adopted in 1780, had never undergone revision. Patched up by 44 amendments—several of them annulling previous changes—it still stood as the fundamental law of one of the most populous, wealthy and thoroughly industrialized states of the Union. That administration or legislation in Massachusetts was less progressive than in other states, either in general or in detail, was not convincingly set forth. But the anomaly of an unrevised eighteenth-century constitution still persisting as the fundamental law of a twentieth-century state was stressed with such effect by the direct-legislationists (who

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had come to believe that their heart's desire could be most quickly attained if their specific claim were merged in the general demand for a revision of the constitution) that the legislature of 1916 submitted to the people the question whether or not a constitutional convention should be held with the result that a vote of 217,293, to 120,979 was given in favor of calling such a convention.[1]

Forthwith it became evident where the clamor for a constitutional convention had originated. From the inner circle of the interpreters of the people's wish and will, from the "Union for a Progressive Constitution", there came forth "The Massachusetts Plan". This modest title was commandeered to introduce not a general programme for modernizing the venerable Massachusetts constitution, but a greatly elaborated draft of the proposed initiative and referendum amendment. It is doubtful if any other campaign for the election of such a convention was ever fought so exclusively upon a single issue. That sole issue in fact, was the "I. and R.", and no sooner was a man's name broached as a possible candidate than he was promptly challenged to endorse the "Massachusetts Plan". Any demurring on his part made him an object of suspicion. Men of long, distinguished and effective public service, who accepted candidacy for the convention with the expectation of voting for some form of initiative and referendum, on refusing to swallow this "Massachusetts Plan" whole, were heckled in public meetings and in the press as hide-bound reactionaries and servants of the "interests".

The scheme of representation called for a convention of 320 delegates,—one from each representative district, four from

[1] During the debate in the convention it was declared: "This convention is here for the simple reason that the legislature has refused to accept the initiative and referendum itself. Except for this, and for the determination of half a dozen men—I might also say, of one man—that this new political machine shall be set up in Massachusetts, whether we need it or not and whether the people want it or not, this convention never would have been assembled. If we assume that every man who voted for the convention wants the initiative and referendum—an extravagant assumption since it is known that other interests joined in the call for it—they were but a third of those who voted at the election, and much less than a third of the qualified voters."

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each congressional district and 16 delegates-at-large from the entire commonwealth. Not a local district escaped scrutiny and the attempt to secure an I. and R. pledge from each candidate. The campaigning was least heated in regard to the delegates for the congressional districts, for here "blocks of four" were formed, and the election of the group identified with the preponderant party was almost a foregone conclusion. The real fight came over the delegates-at-large. For these 16 places there appeared upon the ballot the names of 32 candidates arranged alphabetically,—presenting a preposterous task to the voter who had forgotten to bring his "cram" in his pocket. Fortunate was the candidate whose name began with A, B or C. For weeks each candidate-at-large had been eagerly quizzed as to his stand on the I. and R., and the defeat of certain men (notably President Lowell of Harvard University, than whom Massachusetts possesses no more profound student of comparative government, and Moorfield Storey, dean of the Massachusetts bar) is doubtless to be explained by the fact that they were denounced as not sound in the I. and R. faith as embodied in the "Massachusetts Plan".

The election resulted in a convention, a majority of whose 320 members were claimed by the Union for a Progressive Constitution as pledged to vote for the "Massachusetts Plan", and the actual voting, six months later, after many weeks of debate, came near justifying the charge that the majority of the convention's members had been "hand-picked".

Two months before the convention assembled the United States had entered the Great War. This brought about a situation wholly unforeseen at the time when the people had approved the calling of the convention. It made inevitable such distraction on the part of the delegates and preoccupation on the part of the public that the work of the convention was not likely to get the attention from within and the criticism from without which was to be desired. Some of its own members urged that the convention adjourn until its work could be undertaken under more promising conditions; but it was decided that it should stick to its task.

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It soon became evident that that task could not be completed in a session of a few weeks, for a great variety of proposals were presented for consideration. While the I. and R. was the dominant issue, it was also the one which required the most deliberate study and which was sure to call forth the most protracted debate. The only other measure which rivaled the I. and R. in the heated controversy which it engendered, although not in the intricacy of its subject matter, was the so-called anti-sectarian or anti-aid amendment. This project was referred to a very capable committee, whose report so impressed the convention that, after a brief but earnest debate, they approved the committee's resolution. As the time of the state election was approaching, the convention decided to submit to the people the anti-aid amendment and two minor measures, and then settle down to the long pull on the I. and R.[1]

The several proposals relating to direct legislation were referred to the Committee on Initiative and Referendum, a representative committee of fifteen, containing some of the ablest men of the convention. Its deliberations continued for a little over a month. Despite the dominance of this issue in the ante-convention campaign, the hearings before the committee gave no evidence of widespread or insistent interest. The largest attendance—less than 30 at the opening hearing—dwindled to a mere handful of devotees of long standing. On July 23, the committee reported to the convention the I. and R. amendment. It was the "Massachusetts Plan", changed in only a few phrases, the most important being in increases in the number of signatures required on initiative and referendum petitions,—increases which were later cut down.

Upon the other divisive measure, the anti-aid amendment, by patient and candid discussion the committee achieved what had been thought impossible, a unanimous report, which the convention adopted. But in the case of the I. and R., the committee was able to render no such service in clarifying the thought of the delegates. For the majority report presented by eight was offset by the report of an irreconcilable minority

[1] These three amendments, the first installment of the convention's work, were all ratified by the people, November 6, 1917.

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of seven! So the real debate and the shaping of the measure took place on the floor of the convention.

After the committee-of-the-whole, having discussed the amendment for some six weeks, had been discharged from further consideration of it, debate was carried on for two months longer in the convention itself. The advocates of the measure strove earnestly to secure its approval in time to send it to the voters at the November election, but in vain. Six drafts of the proposal came under consideration. On 45 days there was debate upon it, ending with its final approval, November 28, 1917. Having at last disposed of this measure which for many weeks had practically stalled progress on all other proposals, the convention adjourned to meet the following summer. At that later session 18 amendments of relatively minor interest were approved for submission to the voters.

The chief sponsor for the amendment was the reputed author of the "Massachusetts Plan". As a Republican he had seen years of service in the Massachusetts House of Representatives and had for three years served effectively as its speaker (1909–1911). Since leaving that position, he had been a candidate for the Republican nomination for Congress upon a low-tariff platform of his own, which seemed not to appeal to his district. Later he had become a leader of the Progressives. For many years he had been a resident and responsible office-holder of Brookline, that unique and palatial "bed-room of Boston", which is reputed to have the highest per capita wealth of any political unit in the world, but which—despite the facts that its population is nearly 35,000 and that its area constitutes a narrow "peninsula", thrust into the city of Boston—still retains its town-meeting form of government. A man of wealth and leisure, year after year reëlected to office in Brookline, where the great majority joyfully acquiesce in the rule of the few as long as the taxes are kept low, is not without political experience which should reveal the possibilities of the I. and R. His most prominent associate in the debates was a brilliant member of the Massachusetts bar, reputed one of the ablest cross-examiners and jury lawyers in the commonwealth. These

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men and their followers laid stress upon the rigidity of the Massachusetts constitution and the conservatism of the legislature, but were silent when challenged to name a single genuinely popular demand which the legislature had persistently refused to grant. They made vague and unconvincing charges of corporations' influence in the holding up or defeating of legislation and waxed eloquent over their opponents' alleged "distrust of the people", in hesitating to accept the "Massachusetts Plan".

It was questionable judgment on the part of the opponents of the I. and R. which led them at first to accord the leadership of their forces to an eminent corporation lawyer. No implication is here intended as to the sincerity of the convictions which he eloquently expressed upon the floor of the convention, but at a time when "distrust of the people" was the chief offense alleged against the existing law-making system, the assumption of the rôle of its chief defender by a man best known as the resourceful counsel for some of the New England "trusts" which had figured most prominently as defendants in the state and federal courts, was little likely to win votes for the conservatives, whether among hesitating members of the convention or among the voters at large. His associate who usually represented the minority of the committee in the convention's debates was a clear-headed college professor.

Opponents were estopped from assailing the referendum as a perilous innovation by the fact that six times between 1776 and 1780 questions of the utmost moment were submitted to the voters of the entire commonwealth. It was by a genuine referendum that the draft constitution of 1778 was rejected and by another that the venerated constitution of 1780 was ratified, thus giving to the world the first popularly ratified constitution. By referendum every one of its 44 amendments had been submitted to the people for their approval. The opponents of this measure, therefore, directed their attack at the ease with which signatures to petitions might be secured by those who could pay for canvassers and advertising and at the disorganization which would be caused by the holding-up of ordinary legislation at the challenge of the few. Their heaviest fire, however, was reserved for the initiative. "Bol-

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shevism" was a term not available 15 months ago, but what it now connotes was held before the convention as the result to be anticipated from the adoption of the initiative under the conditions provided by the proposed amendment.

In the pamphlet, in enormous editions of which the "Massachusetts Plan" was put before the public and the prospective members of the convention, specific warning was given against seven "jokers", any or all of which the opponents of direct legislation might seek to engraft upon the measure. The fact is that the "Massachusetts Plan" did undergo a good deal of "perfecting by its foes", until its chief sponsor declared that it had been so "cut, mutilated, stabbed in the back, that if it were further amended, it would not be worth its paper!"

In preparing the *Bulletin on the Initiative and Referendum* for the use of the members of the constitutional convention, the present writer had occasion to make a somewhat careful study of the constitutional and statutory provisions relating to the initiative and referendum in every state of the Union where they are in force. With the possible exception of Ohio, no other state has put into its constitution such an elaborated scheme for direct legislation. Several of its features are unique; experience with them will deserve careful study.

It may be doubted whether at the time when it was framed there was any other state of the Union where the need of an initiative and referendum amendment as to ordinary laws was less imperative. The Massachusetts legislature not only had annual sessions but was annually elected, so that the people's encouragement or resentment could be promptly signified to their representatives, and an unpopular law could hardly get on the statute book before it could be made to figure in the next election campaign. Moreover, the procedure of introducing bills into the legislature interposed no obstacle to any desired measure, and, once introduced, it had to be referred to a committee, and the committee had to report it back to the legislature.[1] Nor did the advocates of the I. and R., in the conven-

[1] In the first seven days of the session of 1919, there have been presented 1304 petitions and bills calling for action by the legislature!

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tion or in the press, succeed in making a convincing exhibit of popular measures which had been smothered or seriously delayed by the legislature, as compared with the advance of legislation in other states.

II

In the following analysis of the new amendment no attempt is made to present all its details. Only its more significant features need claim our attention.

The first serious modification which the "Massachusetts Plan" underwent at the hands of the convention was the extension given to the list of matters, measures relating to which are excluded from proposal by initiative petition. In particular, the debate showed grave apprehension that the free exercise of religion or the stability of the judiciary might be menaced. Hence, it was finally provided that "no measure that relates to religion, religious practices or religious institutions; or to the appointment, qualification, tenure, removal, recall or compensation of judges; or to the reversal of a judicial decision; or to the powers, creation or abolition of courts", could be proposed by initiative petition. The same prohibition was extended to local legislation and to specific appropriations from the state treasury. (How effective these exclusions may prove will be discussed later.) Next to receive special guaranties was a long list of civil rights. A special section was given to a provision to secure exclusion from the initiative process for one of the other amendments submitted to the voters on the same day with this. Finally, to make assurance doubly sure, it was provided: "No part of the Constitution specifically excluding any matter from the operation of the popular initiative and referendum shall be the subject of an initiative petition; nor shall this section be the subject of such a petition."

It is required that an initiative petition, *i. e.*, the original document, shall set forth the full text of the proposed measure and shall first be signed by ten qualified voters of the commonwealth. It must then be submitted to the attorney-general. If his investigation convinces him that it is in proper form for submission to the people, that it is not substantially a duplicate

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of any measure which has been submitted to the voters within the preceding three years and that it contains only subjects not excluded from the popular initiative, he certifies to these facts and frames a description of the measure such as is to appear upon the ballot at the state election. The petition may then be duly filed with the secretary of the commonwealth, who is required to provide blanks for the use of subsequent signers. At the top of each such blank is printed not the measure in full but the ballot description of it, together with names and addresses of the first ten signers. The formal filing of the petition with the secretary must take place not earlier than 18 weeks before the assembling of the legislature into which it is to be introduced, and the remainder of the signatures must be filed not less than five weeks before the convening of the legislature.

No other provisions of this new piece of constitutional law are more novel and none is more worthy of study than those concerning the legislature's relations to the initiated measure. For, in the first place, it is to be noted that this Massachusetts initiative is an illustration of the *indirect* initiative: the measure petitioned for—whether it be a constitutional amendment or a statute—cannot be submitted to the direct vote of the people; it must first go to the legislature. Nor can the legislature dodge responsibility by merely voting in perfunctory manner to submit the measure to the people; it *must* take action which cannot fail to throw light upon the source and merits of the proposition; it *may* bestir itself to expose an unworthy measure and make its enactment practically impossible or to deal with its subject matter in a more broad-minded and effective manner.

It is a valid criticism of the direct initiative and also of the indirect initiative as found in many states, that it gives no assurance that the measure petitioned for by the requisite number of voters and enacted by the people at the polls has ever had that searching scrutiny as to its merits and as to its form which is to be gained from the procedure of a representative legislature at its best. In the final form of this amendment, an attempt is made to secure these advantages and safeguards in connection with every initiated measure. The initiative petition must be

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referred to a committee of the legislature, "and the petitioners and all parties in interest shall be heard, and the measure shall be considered and reported upon to the general court [legislature] with the committee's recommendations and the reasons therefor in writing. Majority and minority reports shall be signed by the members of the said committee." By a resolution adopted by a yea and nay vote, the legislature may submit to the people a substitute for any measure introduced by initiative petition as an alternative therefor.

The petition for an initiative amendment must be signed by 25,000 qualified voters. Not later than the second Wednesday in June after the convening of the legislature such a measure must be laid before a joint session of the two houses. Here the measure may be amended by vote of three-fourths of the members voting thereon. Final action in the joint session must be taken only by call of the yeas and nays, and an unfavorable vote at any stage shall be verified by such a call. An initiative amendment receiving the affirmative vote of not less than one-fourth of all the members elected shall be referred to the next legislature, and if in the joint session of that body it again receives the affirmative vote of at least one-fourth of all the members elected, the proposed amendment shall be submitted to the people at the next election; and it shall become a part of the constitution, if approved by voters equal in number to at least 30 per cent. of the total number of ballots cast at that election and also by a majority of the voters voting upon that specific amendment.

The initiative petition for an ordinary law as contrasted with that for a constitutional amendment must be signed by not less than 20,000 qualified voters. Before the first Wednesday in June after the convening of the legislature, a vote shall be taken by yeas and nays upon the enactment of such law in the form in which it stands in the petition, and if such petition is completed by filing with the secretary of the commonwealth within a specified time not less than 5,000 additional and newly obtained signatures, the proposed law shall be submitted to the people at the next state election. If it shall be approved by voters equal in number to at least 30 per cent. of the total

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number of ballots cast at that election and also by a majority of those voting on that specific measure, it shall become a law.

A more surprising innovation than the provision for committee consideration and legislative amendment of initiatve measures is that for the amendment of the initiative proposal by the petitioners themselves—or rather by a handful of its original sponsors. The Massachusetts legislature convenes the first Wednesday in January. If it fails to enact the proposed law before the first Wednesday in June, a majority of the first ten signers of the original petition therefor have the right to amend the measure, and the amendment so made "shall not invalidate any signature attached to the petition." If the amended measure, signed by a majority of those first ten signers, is filed with the secretary of the commonwealth before the first Wednesday of the following July, together with a certificate signed by the attorney-general to the effect that the amending thus done "is in his opinion perfecting in its nature and does not materially change the substance of the measure" and if the petition is completed by the filing of 5,000 newly obtained additional signatures of qualified voters, the amended measure shall be submitted to the voters at the next state election.

This is one of the most original and one of the most questionable features of the new Massachusetts law. It is elsewhere required that the initiative measure must be referred to a committee of the legislature and that the committee must report, but it is not assured that the report will have been submitted before the first Wednesday in June. Ten qualified voters signed the original petition which set forth in full the desired measure. There is no assurance that any of the rest of the 20,000 petition-signers have seen the measure in full or know its details, for only its ballot description stood at the head of the blanks which they signed. And now *six* of those original petitioners—conceivably against the earnest protest of the other four—may set to work to "perfect" that measure. The 20,000 are still to be counted as backers of the "perfected" measure. Thereafter it has to undergo no legislative committee's investigation; it is not even referred or reported to the legislature; but, provided 5,000 new signatures are secured for it, the "perfected" meas-

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ure may be submitted to the voters. To be sure, the attorney-general must certify that the changes are "perfecting" and "do not materially change the substance of the measure". But in an intricate law—for example, a workmen's compensation act—those phrases furnish elasticity enough to allow for very considerable differences of opinion. Moreover, it requires but a short memory to recall instances in more than one western state where the attorney-general, in phrasing ballot titles and in other purely ministerial acts, has in effect prejudiced the whole issue. Seven men, of the same way of thinking and with the machinery and means for collecting 5,000 signatures within a month, may give their own special "twist" to the measure which is to go straight to the voters without any further consideration by the legislature. To make confusion worse confounded, it may be queried whether the "unperfected" measure might not also appear upon the ballot; and it is conceivable that in the closing weeks of the session the legislature might also submit a substitute measure dealing with the same subject.

III

To make way for an appeal to the referendum, this amendment provides that no law passed by the legislature shall "take effect earlier than 90 days after it has become a law". To this suspension of laws there are two groups of exceptions. In the first place there are emergency measures. No law can be listed as an emergency measure unless two-thirds of the members of each house voting thereon shall by a yea-and-nay record vote adopt a separate preamble to the law, setting forth the facts constituting the emergency and declaring that such law is "necessary for the immediate preservation of the public peace, health, safety or convenience". (Does the emergency clause in any other state contain so lax a phrase as "or convenience"?) Nevertheless, the governor, upon filing a similar declaration of exigency, may cause a suspended measure to be put into effect. But no grant or amendment of any franchise or extension thereof for more than a year shall be deemed an emergency measure.

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The second group, not subject to the 90-day suspension, comprises the matters excluded from the referendum process by this amendment, itself. In practically identical language there are here enumerated the same list of excluded matters already shut out from the operation of the initiative,—measures relating to religion, the judges and courts and special and local legislation.

A petition requesting that the operation of a law be suspended and that it be referred to the voters must be signed by ten qualified voters and filed, not later than 30 days after the measure has become a law, with the secretary of the commonwealth, who then supplies blanks for further signatures. At the top of these blanks is printed not the law but the ballot description of it, prepared by the attorney-general, together with the names and residences of the first ten signers. If within 90 days after the measure became a law the petition is completed by the filing of the signatures of 15,000 qualified voters, the operation of the law must be suspended, and the measure must be submitted to the people. If it is approved by a majority of the voters voting thereon, the law takes effect. If not so approved, it becomes null and void. But no law shall be held to be disapproved if the negative vote is less than 30 per cent. of the total number of ballots cast at the state election. By the same procedure, a referendum may be invoked against an emergency law, or one the suspension of which has not been requested,—the only difference being that in cases where the operation of the law has not been suspended or interrupted, the signatures of only 10,000 voters are required upon the petitions. If the measure thus challenged is not approved at the polls, by that failure it stands repealed 30 days after that election.

Certain general provisions are made applicable to both initiative and referendum petitions. It is required that provision be made by law for the proper identification and certification of signatures to petitions and for the prevention of bribery and forgery in connection therewith. The legislature is authorized to provide that no copartnership or corporation shall circulate petitions for hire and may require the licensing of individuals who circulate petitions for hire. To ensure that the petitions

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shall represent not merely one locality's opinion, it is provided that not more than one-fourth of the signatures to any petition shall be those of the registered voters of any one county. The governor is denied the power to veto a measure approved by the people; but any such measure may be amended or repealed by the legislature, subject to the governor's veto and to the right of referendum by petition.

In order that the voters may be duly informed upon the measures whose fate they are to determine, the secretary of the commonwealth is to send to each voter the full text of every such measure and its description precisely as it is to appear upon the ballot; and he shall, in such manner as may be provided by law, cause to be prepared and sent to the voters other information and arguments for and against the measure. Precisely similar requirements are to be found in several other states. But the Massachusetts amendment goes further and insists that there be sent to each voter a copy of the legislative committee's majority and minority reports, if there be such, with the names of the majority and minority members thereon and a statement of the votes of the legislature upon the measure.

IV

Such is the I. and R. amendment, which the convention after weary weeks of debate decided to submit with 18 other amendments to the people. In the weeks which intervened between the adjournment of the convention and the election there was not much agitation over the amendments. Whatever interest could be diverted from the war was monopolized by the I. and R. Its most enthusiastic editorial support came from the *Boston American*, a fact which led its opponents to denounce it as a "Hearst" measure. They circulated some vigorous pamphlets, and, as a "horrible example", placed in the hands of each voter a reproduction of the direct-legislation section of the California state election ballot of 1914. That certainly was a fearsome document; but its use in this Massachusetts campaign was hardly ingenuous, for practically half of the measures (50) which gave it such portentous length had been placed on the ballot not by petition but by the action of the legislature.

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In the closing days of the campaign an appeal was circulated broadcast to all voters to "Vote NO!" on every one of the 19 measures. Several officers and members of the convention endorsed this, insisting that the convention had been so distracted and so negligent of its work as to impair confidence in its approval of any of the measures. Whatever was good in its work, it was urged, could be secured by the ordinary process of amendment with but slight delay. On the other hand, the advocates of the I. and R. made an enthusiastic canvass in its favor, urging the electors to vote "yes" on that one measure, as the others were of little relative importance and could all be secured later through the initiative, if any real demand for them should develop.

Final returns show that on that election day the Massachusetts voters were under the influence of the "yes" habit; they ratified every one of the 19 amendments.[1] The vote on the I. and R. was as follows: Yes, 170,646; No, 162,103; Blanks, 96,698. Of the 332,749 who expressed an opinion for or against it, it was carried by a majority of only 8,543, and but 39.7 per cent. of those who took part in that election voted in its favor. The distribution of the vote is not without interest. In only one county in the state—Suffolk County, which includes Boston, Chelsea and two towns—did a majority of all those voting cast their ballots in its favor, and in but one other county —Plymouth County, including the "shoe city" of Brockton— did the "yes" vote exceed the "no". But in Suffolk County the "yes" majority was 25,371,—practically three times the majority in the vote of the state as a whole. In the rural counties the vote was heavy against the amendment. Is this contrast due to the greater conservatism of the country dwellers? Or was the I. and R. propaganda chiefly stressed in the larger cities? Or were the Boston voters more susceptible to the *American's* editorials and to the campaigners' eloquence?

That the I. and R. largely monopolized the voter's interest is shown by the fact that the number of blanks, 96,698, on that

[1] In 1853 eight amendments were submitted as the result of the labors of the constitutional convention of that year, and every one of them was rejected.

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measure, large though it seems (being 22.7 per cent. of the total number of persons who voted), is smaller by from 54,000 to 95,000 than the number of blanks on the other 18 measures. Among the counties, in the smallest two the blanks were 37.6 and 39.8 per cent. of the total vote; in the others, the percentage ranged from 19 to 26.

The successful struggle to attain the I. and R. has brought along with it sweeping changes in the state's constitution and in the body of its laws. In the first place, it is to be remembered that this convention was called solely because of the importunity of certain men who wished through the revision of the constitution to secure the adoption of their favorite measure. Those whose insistent demand led to the calling of the convention are entitled in large part to the praise or censure which its work merits. Twenty-two amendments—precisely one-third of the total number added from 1780 to the present day—comprise its work. They deal with a great variety of topics. Nor is the end yet. For the convention has not been dissolved; it has adjourned to reassemble this summer, when the actual revision of the constitution is to be accomplished through the incorporation of the 66 amendments, new and old, into the constitution and the reduction of it to a consistent whole.

In the second place, as an incident to the adoption of the I. and R., there has come a change in the process of amending the constitution which may be of more significance for the future than the adding of a dozen of the amendments which were ratified recently. For not only has the new direct legislation amendment laid the constitution open to amendments started by initiative petition and carried through to ratification even against the adverse vote of large majorities in two successive legislatures, but by a few parenthetic clauses of tangled English, tucked away in this I. and R. amendment and with no avowal of their relation to any other part of the constitution, it has greatly relaxed the alternative process by which for a century amendments have been made. Since 1821, it has been required that specific amendments, proposed in the legislature, must be agreed to by a majority of the senators and by two-thirds of the members of the house of representatives present and voting

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thereon in two successive legislatures, before being submitted to the people. This concurrent action on the part of the two branches has been difficult to secure. But delays and deadlocks are obviated for the future, for this new amendment provided that if a joint session is called for by vote of either house, it must be held, and in such joint session the affirmative vote of a majority of all the members elected is sufficient to send the measure to the next legislature; if it is there approved in like manner in the joint session, it goes for ratification to the people. The opposition of a few senators which under the former system would have blocked an amendment, can now easily be overridden by a small majority in the house which first demands a joint session and then dominates its vote. Advocates of the I. and R. have already intimated that, without recourse to the initiative process, radical legislatures may send to the people a constitutional amendment which will strike out the "Excluded Matters" section which was assented to by the I. and R. leaders "only to quiet the fears of nervous delegates."

In this struggle the radicals have scored a distinct victory in engrafting the modern initiative and referendum upon the conservative Massachusetts legislative system, free from such restrictions as would make their operation ineffective. Indeed, the requirements as to the number of petitioners is surprisingly small in comparison with those of other states. A constitutional amendment is launched by the initiative on the basis of a petition signed by 25,000 qualified voters,—less than four per cent. of the registered voters in the commonwealth in 1916. In other states which have the indirect initiative on constitutional amendments the percentage of petitioners to voters required is as follows: Michigan, 25; Nevada, 10; North Dakota, 25; Utah, 5; while the states having the direct initiative, which sends the amendment straight to the people without any deliberative action upon it by the legislature, have percentages varying from 8 to 15. In Mississippi, alone, is a fixed number of voters required, but her 7,500 bears a far higher proportion to her qualified voters than does the 25,000 of Massachusetts.

For the launching of a referendum, 15,000 petitioners is the maximum number required, or about 2.3 per cent. of the regis-

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tered voters,—less than one-half the percentage required for the statutory referendum in any other state of the Union. In Maine and Maryland, the fixed number of petitioners (10,000) is a far larger proportion of the electors than is the 15,000 in Massachusetts. In the constitutional convention the attempt to substitute a "four per cent." requirement for these fixed numbers was defeated by a close vote. Perhaps the most surprising thing is that the radicals themselves should have chosen to stand for so low a requirement. In 1916, there were in Massachusetts 650,882 registered voters. In the three states of the Pacific Coast the operation of the initiative and referendum has been made much more difficult by the advent of woman suffrage, which has practically doubled the requisite number of petition-signatures, since they must be secured upon the percentage basis. In Massachusetts, on the other hand, the prospect is different. Women exceed men in that state. The legislature has already ratified the suffrage amendment to the federal Constitution, and there is every probability that within a very few years woman suffrage will be in operation in Massachusetts and that the number of registered voters will be practically doubled, and the securing of the 25,000 or 15,000 petition-signatures will become so much the easier. To vex the patience of the voters by clamoring to have them vote on every measure for which a scant two per cent. of the voters petition or against which less than 1.15 per cent. of the voters protest, would seem so preposterous that even the most earnest friends of the I. and R. would resent its being subjected to so unreasonable a strain.

There has been not a little speculation as to the new rule of the "decemvirs" which this amendment suggests. A keen analyst of political tendencies has said: "It is quite clear that popular legislation can be worked only by 'simplifying' the issues; and the further this goes, the more important becomes the real initiative of the irresponsible persons, whether patriots or schemers, who formulate the 'simplified' issues." Ancient history suggests an interesting analogy, though it should not be forced. We are told that the "decemvirs" were first constituted in response to the demand by the plebeians that the laws

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be simplified and written down; that, though plebeians apparently were eligible, none was elected to the first board; that at first they did their work with singular moderation; but that later, after some plebeians had been given place, the "decemvirs" became violent and tyrannical, so that they fell before the fury of the plebeians, though they continued to have the support of the patricians. Who are to be our Massachusetts "decemvirs",—the "ten qualified voters" who are to serve as sponsors for initiative and referendum petitions, by the vote of six of whom, measures, ostensibly acceptable to 25,000 petitioners, may be "perfected" and sent to the people for ratification? Will each special measure call forth its own group of sponsors, enthusiasts for that individual project? Or will there be a practically permanent group of "decemvirs", ready at all times to write the laws which shall set forth the voters' real wishes? During the campaign, the opponents of the I. and R. amendment were constantly warning the voters that the proposed amendment would give to "ten private individuals, who may be the tools of William Randolph Hearst or any other wealthy radical or group of radicals, all the power of the constitutional convention and nearly all the power of the legislature." That the grant of power to these irresponsible starters of petitions may prove to be excessive is not unlikely. But upon the I. and R. opponents' anxiety to shield the commonwealth from the malign influence which might be exercised through these first ten petitioners by a wealthy radical or group of radicals, an interesting side-light is thrown by the official report of campaign receipts and expenditures. The "Union for a Progressive Constitution", which campaigned for the adoption of all the 19 amendments, reports total receipts of $3,003. One contribution was of $1,000; six others aggregated $375; the rest came in sums of $25 or less. On the other hand, the "Association for Representative Government", for its unsuccessful efforts directed *solely* to the defeat of the I. and R. amendment, collected $93,439 and expended $88,416,—a sum larger than that reported by any other political organization of that year, exceeding, for example, the total expenditures of the Republican State Committee by nearly $4,000. Contributions

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of $1,000 each were received from 25 individuals, including men prominent in manufacturing, banking and politics. Apparently wealthy conservatives were easily found who were ready to "fight the Devil with fire".

What brakes did the conservatives in the convention succeed in placing upon what they considered headstrong and headlong democracy? In the first place they won in the struggle to extend the list of "excluded matters", so that it comprises large and very important fields of legislation and administration,—so important, in fact, that the I. and R. enthusiasts are already planning an early testing of the strength of that "double-riveted" clause which was intended to withstand any effort by initiative amendment to break down these barriers.

In the second place, the conservatives forced into the amendment the provision that the fate of an initiative measure or of a law challenged by the referendum shall not be determined by a mere majority of those voting thereon; the approval of the initiative measure or the disapproval of the referred law must be backed by voters equal in number to at least 30 per cent. of all the ballots cast at that state election. This is no insuperable barrier. At the recent election, despite the great variety in the interest and importance of the several measures and the large number of blanks, every one of the 19 measures was approved by a number considerably in excess of 30 per cent. of the total vote cast. Yet that this requirement may defeat many a measure for which there is no considerable demand is proved by the fact that of the 44 amendments which had been added to the constitution before the assembling of this convention, 20 had received less than this minimum. Indeed, 16 of them were ratified at elections where the total vote both for and against the amendments had not aggregated 30 per cent. of the vote cast for governor. In 1860, two amendments were ratified, the total vote for and against each of which reached only 3.3 per cent. of the number of votes cast that day for governor!

The new amendment has greatly lessened the rigidity of the Massachusetts constitution and of the law-making system. The required number of petition signatures is so low as to afford no guarantee that a substantial public opinion lies back of the move-

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ment that forces the individual measure on to the ballot, and the 30 per cent. favorable vote is not likely to prove difficult of attainment. The best reliance which the amendment provides against crude, heedless or vicious legislation is to be found in the unique provisions as to publicity and legislative review.

To a greater extent than in any other state, the sponsors of initiative and referendum petitions are brought out into the open. An initiative constitutional amendment must be considered by two successive legislatures and may be amended thereby. No other state has charged its legislature with such heavy responsibilities in relation to initiative measures. Every such proposal must be referred to a committee, be made the subject of public hearings, be reported back to the legislature with the names of the signers of the majority and minority reports and the decisive votes taken by yeas and nays. By constitutional requirement, therefore, more careful consideration by the legislature is insisted upon in the case of every measure originated by initiative petition than is accorded to nine-tenths of the bills that come before the legislature by the ordinary procedure.

In no other state has provision been made for sending the initiative measure to the voter accompanied by such clear and authoritative data for making a decision upon its real merits. If heedless or unintelligent decisions are given at the polls, no small part of the blame must rest with the representative legislature which has shirked its responsibilities and with the men of light and leading who neglect obvious opportunities to bring out the facts at legislative hearings, on the platform, in the press and in man-to-man discussion.[1]

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[1] From Oregon, the pioneer state in the large use of direct legislation, comes this editorial comment on the Bay State's new law. "How Reckless! After straining several months, the Massachusetts Convention has succeeded in swallowing a gnat. The initiative and referendum amendment finally adopted looks small and pitifully weak beside the Oregon system." After summarizing its main features, the editorial continues: "And Massachusetts thinks she has played the dickens. The conservative old State reminds us of a Sunday-school teacher on a nut sundae jag."

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BISMARCK RECONSIDERED[1]

MR. GRANT ROBERTSON is the first to reëxamine Bismarck's entire career in the light of its later results. For this undertaking he has exceptional qualifications. He is familiar with the voluminous Bismarck literature, not only with Bismarck's speeches and writings, but also with the collateral sources, the books published by Bismarck's co-workers, rivals and antagonists. He is able, also, in depicting the successive phases of Bismarck's career, from the first appearance of the country squire in the United Diet of Prussia to the long reign of the experienced statesman in the chancellery of the German Empire, to fill in the essential details of the Prussian and German environment and of the European background. He knows his Prussian and German history, not alone the salient events, but also, what is more important, the great currents of German feeling and thought in the nineteenth century. He is familiar, too, with the international relations and the diplomacy of Bismarck's time.

In estimating the value of any biography, the first question is whether the writer understands the man whose career he describes. In its main lines, at least, Mr. Grant Robertson's analysis of Bismarck's complex personality seems accurate. One great merit of the book is that the author's opinion of Bismarck's manners and morals does not affect his appreciation of Bismarck's intellectual qualities. A second merit is that criticism is tempered by consideration of upbringing, tradition and circumstances.

As regards manners, the author finds that Bismarck could be, and in his earlier life usually was, courteous. To the last, when it seemed worth while, he could be more than polite, he could exercise a compelling charm. That in his later career he so seldom found this worth while, the author attributes largely to bodily infirmities. A prolonged illness, in 1859,

> made a permanent mark in his life. . . . After 1859 he was never the man he had been before. An increased irritability and excitability, a morose and violent temper, aggravated by sleeplessness, became increas-

[1] Bismarck. By C. Grant Robertson. New York, Henry Holt and Company, 1919.—xii, 539 pp.

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ingly apparent, and constant return of pain emphasised the unlovely elements in his character [page 106].

After 1871, when his health grew steadily worse, the restraint which he could impose upon his "unlovely" impulses became less and less necessary because of his assured primacy in German political life and because of "the German hegemony of the European state system" (page 408). In the late seventies there was a story current in Berlin —a story which, so far as the reviewer is aware, has not been printed— that when a Prussian general complained to the Emperor of Bismarck's insolence, the monarch replied: "Dear old friend, we must all be patient."

In considering Bismarck's ethics, the author distinguishes. In his personal and family relations, Bismarck's life was blameless. His worst traits were ingratitude to those who served him and vindictiveness toward those who opposed him (pages 309–310). This latter trait was more and more strongly accentuated in his later years (pages 408–411). Here again, the change for the worse may be attributed in part to the increasing irritability of ill health.

Bismarck's political ethics, in the author's opinion, were those of Frederick the Great. Force and fraud were regarded as tools proper to the statesman, and their employment was legitimate whenever the interests of the state might thereby be promoted (pages 133–134). Here again, however, the author discriminates. He denies that Bismarck believed

> that force alone, or force aided by a skillful diplomacy, would suffice. The higher statecraft required a subtler sympathy with the motives and ideas of human beings, a tighter grip on realities, economic as well as spiritual. The future Prussia and the future Germany could not be brought into existence by force alone, nor could they live and develop on force alone [page 103; *cf.* pages 199–200].

In some respects Bismarck showed himself more scrupulous than Frederick. He thought it admissible to suppress truth and suggest falsehood, as in editing the Ems dispatch; but that editing was technically, as the author says, "neither a falsification nor a forgery" (pages 279–280). He had a perhaps illogical but very real disinclination to employ the lie direct. When, in 1866, the Austrian ambassador asked him: "Do you intend to break the Treaty of Gastein?" Bismarck answered: "No; but if I did, could I give you any other answer?" In fact, he succeeded in constraining Austria to break that treaty.

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In Bismarck's time, Prussia broke no treaties. The clause in the Treaty of Prague by which it bound itself to allow the people of North Schleswig to decide whether they preferred to be Prussians or Danes, was never technically violated. Denmark was not a party to that treaty; the promise was made to Austria, and Austria ultimately released Prussia from this obligation.

Bismarck showed himself scrupulous, again, as regarded his diplomatic assurances. It has not been shown that he ever repudiated a definite and formal promise. He affected sympathy with Napoleon's desire for "compensations" after 1866; he led Benedetti to believe that some compensations might be arranged; it is not improbable that he suggested a French annexation of Belgium; but Benedetti could cite no distinct promise of any definite territory.

In a general way, the author recognizes the technical correctness of Bismarck's diplomacy. He tells us:

> The maximum of effort can be secured from the monarchical state as Force only when sovereigns and subjects have a good conscience, convinced that their cause is lawful and right. Bismarck undertook the apparently impossible task of convincing his sovereign and countrymen that in 1864, 1866 and 1870 they were fighting, not an aggressive, but a defensive war [page 176].

How Bismarck solved this difficult problem might be made clearer than the author makes it. In 1864, for example, the author admits that the Danish case was not satisfactory, but he lays chief stress on the equities of the German population of Schleswig and of Holstein and does not tell his readers that, in 1852, Denmark had bound itself by a treaty, to which Prussia and Austria were parties, not to convert the personal union between the duchies and Denmark into a real union. The new Danish constitution, promulgated in 1864, which incorporated Schleswig in the Danish monarchy, was thus a clear breach of treaty obligation. It was on this breach of treaty by Denmark, and on the subsequent violation by Austria of its promise to Prussia that the ultimate disposition of the duchies should be determined by agreement between the two powers, that Bismarck based the Prussian case in 1864 and in 1866. It was by standing on these treaties that he got rid of them and secured the duchies for Prussia. This result, again, was reached by a procedure that was technically unassailable: the treaties on which he took his stand at the outbreak of each war were replaced by the treaties of peace signed after each war.

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The technically correct attitude of the Prussian government had its influence upon neutral as well as German opinion and made it difficult for England and France to intervene—a point to which the author, in his severe arraignment of British inaction in 1864 (pages 176–180), has hardly given its due weight.

As regards Bismarck's attitude toward war, the author tells us that

> he certainly did not believe in wars merely for conquest or glory; and no statesman of the nineteenth century had a deeper sense of the responsibility that plunging a state into war imposes on those who direct policy [pages 198–199].

Here, however, and more clearly in another passage, the author ridicules the notion that Bismarck was opposed, in principle, to "preventive" or anticipatory wars. He finds no basis for this belief, except that Bismarck "said so, in two or three obscure and probably insincere sentences" (page 347). This is not a correct statement of the evidence. There are on record, not two or three sentences only, but at least half a dozen fairly lengthy utterances, in which Bismarck denounced the military theory that it is justifiable to anticipate a war which is thought to be inevitable; and these utterances are not in the least obscure.[1] Are they to be regarded as insincere? This is, of course, a matter of judgment. It may be granted that Bismarck's public speeches are to be read in the light of his immediate political purposes and particularly in view of the effect which he probably intended to produce. In his speeches after 1871, he was usually desirous of impressing Europe with Germany's purpose to keep peace. As early as 1867, however, he protested against an anticipatory war with France, in a private conversation recorded by Count Bethusy-Huc; and in his *Reminiscences*, which may be regarded as his political testament, he more than once asserts or indicates the same position. It is true, on the other hand, that there is one bit of evidence in favor of the author's contention which he does not cite. On February 18, 1874, Bismarck told Prince Hohenlohe that, if the French meant to start a war in five years, Germany would start it in three. Here, however, as in his political speeches, we must consider his immediate object. He told Hohenlohe that he had already given this warning to the French; and since, at the time of this conversation, Hohenlohe had been appointed German ambassador to France, the statement was obviously a hint that, if it seemed necessary, the ambassador might

[1] For citations and references, see Munroe Smith, Militarism and Statecraft, pp. 71–75.

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repeat the warning. It is quite conceivable that the threat of an anticipatory war was here employed to avert complications that, in Bismarck's opinion, might lead to war.

The best evidence that Bismarck's opposition to wars of this sort was sincere is to be found, not in his utterances, but in his acts. None of his wars was primarily or properly a "preventive" war. Neither in 1864 nor in 1866 did he make war because he apprehended an attack. He forced the war with France in 1870, not because he thought it inevitable, but because he thought it necessary for the completion of German unity. In discussing the war scare of 1875, in which the "preventive" theory came most clearly to expression, the author himself finds it "difficult to believe" that Bismarck intended that it should come to war (pages 348–349).

The author fully appreciates Bismarck's political genius. Bismarck's diplomacy was not, indeed, invariably successful. Twice, at least, he suffered a distinct diplomatic defeat. In 1870, the withdrawal of the Hohenzollern candidacy for the throne of Spain left him, "for the first time, worsted before Europe in a grave affair". On this occasion, however, luck saved him. "The Duc de Gramont's irresponsible and criminal levity ruined a great success" (page 279). Again, in 1875, Bismarck permitted the war scare to reach such a point as to give Russia and Great Britain an opportunity to intervene for the maintenance of peace. The anger he displayed on this occasion showed how effectively "his flank had been turned" (pages 348–349). That in the twenty-eight years, during which he directed Prussian and German foreign policy, he encountered only two such reverses cannot be explained solely by the ineptitude of his adversaries.

The author rightly emphasizes Bismarck's "sense of limits, which is one of the finest and rarest, if not the finest and rarest, gift of the highest statesmanship" (page 149; *cf.* page 432).

Whenever there is question as to Bismarck's intentions or motives, and no evidence exists either to confirm or to discredit his own statements, differences of judgment are admissible. The historian may even change his own opinion. In the *Evolution of Prussia* (1917), written by Mr. Grant Robertson in collaboration with Mr. Marriott, we were told that "there is reason to believe that Bismarck, if Moltke had not overborne him, would have left Metz in French hands." The reason is that Bismarck said so, in his speech of January 11, 1887. In the volume under review, the author discredits this assertion and adds: "It is more probable that he agreed with the criticism of the Junkers on his folly in not insisting on taking Belfort as well as Metz

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and Strasburg" (pages 288–289). This later judgment is not only out of accord with the author's appreciation of Bismarck's moderation and sense of limits, but it also involves the rejection of a second and later statement made by Bismarck in the *Hamburger Nachrichten*, January 9 and 16, 1893.

As regards the subsequent treatment of Alsace and Lorraine, it is the author's theory that Bismarck had no illusions regarding the sympathies of the inhabitants—which is undoubtedly true—and no hope of their conversion or reconversion into Germans. From the outset, therefore, these territories were to be held under strict control, simply to furnish a good military frontier against France (pages 304–307, 406–407). As regards Bismarck's initial hopes and plans, the author is, I think, in error. Bismarck stated, in 1871, that there was a chance of converting the Alsatians, at least, into loyal Germans. Every German, he said, was primarily a particularist—a Prussian, a Saxon, a Bavarian *etc.*—and only secondarily a German. If a specific territorial patriotism could be created in Alsace, its people would be half Germanized. This immediate end could be attained by giving them, first, local self-government and, later, territorial autonomy. When they had enjoyed these blessings for a generation, they might be unwilling to go back under the autocratic rule of French mayors and the direct authority of a centralized bureaucratic government (speeches of May 2 and 25, 1871). This program, which was thoroughly English, broke down; and its failure is apparently attributable to the fact that Germany could not supply the sort of officials needed to carry it out. The German burgomasters and some, at least, of the territorial governors were as autocratic as the French officials and were far less tactful. Further, as the author points out, the civil authorities in Alsace-Lorraine frequently found themselves in conflict with the military authorities. Bismarck himself felt constrained to exercise not a little direct control of the territorial administration. Ultimately, he seems to have abandoned the idea that it was possible to make "a contented Alsace-Lorraine" (page 406), but the earliest clear indication of this change of view is to be found in his speech of March 21, 1879.

The author's belief that the most important difference of opinion between Bismarck and William II was in the field of foreign policy (pages 484–486) is, in the reviewer's opinion, fully warranted by the evidence already accessible. His statement, however, that this difference was revealed in a conversation between the two on October 13, 1889, is one that the reviewer has not seen elsewhere. In its support, the author cites (page 476, note 2) an article by Bismarck, published

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in the *Hamburger Nachrichten*, July 24, 1891. Neither in the collection of Bismarck articles, published in 1913 by Hofmann, the editor of that journal, nor in his supplementary list of Bismarck articles not included in his collection, does it appear that any article written or inspired by Bismarck was published on July 24, 1891. If, therefore, the statement cited by the author appeared in the *Hamburger Nachrichten* of that date, there is no reason to believe that it was authorized by Bismarck. The natural assumption, that the date only is wrong, does not seem wholly satisfactory. In the first part of Hofmann's first volume, he devotes eighteen pages to an account of Bismarck's dismissal, carefully analyzing the points of difference between the chancellor and William II, and on page 15 he alludes to divergent views regarding German foreign relations. If a statement so interesting as that cited by Mr. Grant Robertson had been published in the *Hamburger Nachrichten*, it is difficult to explain the editor's failure to allude to it.

One of the author's conjectures is in part improbable, in part demonstrably baseless. He tells us that the arrest of the French frontier official, Schnaebele, in the spring of 1887, "was deliberately planned, possibly to provoke the French into a serious indiscretion, certainly to assist the passage of the Army Bill" (page 460). The arrest certainly had no connection with the Army Bill of that year, for this passed its final reading on March 11, and the arrest was made on April 20—a date correctly indicated in the chronological table at the back of the book (page 533). That the arrest was planned by Bismarck, as the context clearly suggests, seems highly improbable, not because the action was high-handed, but because it was so absolutely indefensible as to be stupid. Schnaebele had been lured to the frontier by an invitation to confer with German officials. Eight days after the arrest—a moderate term for ascertaining the facts—Bismarck ordered Schnaebele's release, on the ground that the invitation carried "an implied safe-conduct".

Mr. Grant Robertson's book is very readable. It would be even more readable if it were more simply written. The allusive method of narration is sometimes overworked. If the reader happens to know the facts to which allusion is made, he may possibly be gratified by the implication of his knowledge; if he does not know them, but thinks he grasps the author's meaning, he may be misled; if he neither knows nor is able to guess what is meant, he is justly irritated. From the author's paragraph on the Congo Conference of 1885 (pages 444–445), the reader not previously acquainted with the facts would fail to

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learn that there was any such conference. He might easily gain, further, the impression that "the Berlin Act" of that year, however it may have been enacted, was framed by Lord Granville. Again, how many readers will identify the "Universal Ordinary", suddenly and quite needlessly presented to them on page 18, as the Pope, and will realize that the author is drawing a comparison between the imperial organization planned by German nationalists in the first half of the eighteenth century and the organization of the medieval church? And how many readers know what "Febronian lines" of church organization may be (page 330)? Technical terms must be used in technical treatises; but it is equally unnecessary and unfair to annoy the readers of modern political history with terms intelligible only to students of ecclesiastical history or of canon law.

The work of the printer is unusually accurate. Professor Geffcken, however, was not acquitted in 1882, but in 1889 (page 477). *Rechtsfragen* is twice printed without the *s* (pages 103, 489). For the curious twisting of two familiar German compound nouns into the impossible forms, *Freilehrheit* and *Freilehrnheit* (page 326), neither printers nor proofreaders can be solely responsible.

For the baseless claim, printed on the publisher's paper wrapper, that the book "contains much new material, including the authentic text of the famous Ems despatch", the author can not be responsible. No material not previously printed is given or used in the book. The original Ems dispatch and Bismarck's "syncopated version for publication", which are reprinted in an appendix, have been repeatedly printed, both in German and in translation, during the past quarter of a century.

A second appendix contains an interesting discussion of the "reinsurance treaties" of 1884 and 1887. There is a good bibliography, which might be better arranged; there is also a useful chronological table, 1815–1898, and there is an inadequate index.

To say that a book is so good that it ought to be better is a somewhat trite, and not always sincere, excuse for what may seem overminute criticism. Mr. Grant Robertson's book, however, is not only the best English biography of Bismarck, but one of the best so far published in any language. It is written with ample knowledge and with a high degree of insight. It is up to date, not only in that the author utilizes the most recently published sources, but also because it revalues Bismarck's achievements in the light of the further development of movements which he initiated and the further employment of methods to which his success gave an unfortunate sanction, by poli-

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ticians who lacked his sense of limits and his appreciation of the weight of the imponderables. The author tells us, in his preface, that his book "is in no sense a product of the war", that his "study of and interest in Bismarck began many years before there was a thought of war", and that his "conclusions and judgments were formed before August 4, 1914". Still, these conclusions and judgments were formed during the period in which the German people were being taught that their country must become a world power, in which Germany was building war ships with disquieting speed and in which the Triple Entente was established to meet and check the increasingly aggressive tendencies of the Triple Alliance. Further, the author's conclusions and judgments, if not formed after August 4, 1914, were tested, before his book went through the press, not only by the outbreak of the German War, but also by the manner in which the German military and naval authorities conducted it for the first three years. That the author's views were not affected by these developments, he would probably be the last to affirm. What he wishes his readers to understand is that the biography is not a war book, or as his editor puts it, not a "book with a polemical purpose". This claim is fully justified. The book is so fair that the ultra-patriotic Americans who have been engaged in censoring works on modern European history might easily put it on their index as pro-German.

In considering the more abiding results of Bismarck's political activities, the author justly emphasizes the fact that, in unifying Germany, Bismarck forced the German people to sacrifice liberalism for the sake of nationalism. Given Bismarck's political convictions, he could pursue no other course; to him particularism and liberalism were equally undesirable. In the light of subsequent events, however, the old question, whether Germany could not have been unified on liberal lines, presents itself with new insistence. The author is too much the historian to risk positive assurance of any "might have been". Toward the National Liberal movement of 1848–49, however, his attitude is sympathetic, and he absolves the Frankfort Parliament of most of the sins of commission and of omission with which it is ordinarily charged (pages 69–71, 235–236). He does full justice to the results secured by the National Liberal party from 1867–1879, so long as Bismarck was willing to work with it (pages 312–314).

The author clearly feels (although he finds it unnecessary to insist at length on what we all see today) that the establishment of German unity by force, not unmixed with fraud, led millions of Germans to accept the cult of force and to condone political fraud as a patriotic

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duty. It may easily seem, at the present moment, as if all the evil Bismarck did lived after him, while the good was buried with him at Friedrichsruh.

At the present moment, however, when the Empire that Bismarck built lies in ruin and half of the Europe he knew is in chaos; when the world is looking forward with mingled hope and doubt to a new era, in which the dangerous tendencies of nationalism are to be checked either by popular government or by a sane nationalism or by both combined; when no statesman will venture to predict what the morrow will bring forth, much less to forecast the state of Europe and of the world a generation hence—at such a time it is unthinkable that a final judgment should be passed on the value of Bismarck's work.

If Germany remains united and regains its position among the nations, Bismarck will always be remembered as the founder of its unity. A total change in German forms of government will affect his place in history as little as similar changes in England and in France have affected the world's judgment of William the Conqueror or of Richelieu.

If the Germans do not solve successfully the problems of popular government, or if they are unable to maintain German unity under a system of popular government, the future historian may be less critical than we are disposed to be today regarding Bismarck's autocratic tendencies.

If our hopes of a better world-order, in which international co-operation shall increasingly supplant international rivalry and conflict, prove unrealizable, if democracy proves as intensely and narrowly nationalistic as aristocracy or monarchy, it may be doubted whether the statesmen who direct the policies of the great powers will be able to maintain standards of international conduct essentially different from those that prevailed in the nineteenth century. If, on the other hand, the better world-order to which we are looking forward shall be realized, however gradually, Bismarck and Rechberg, Gortshakof and Gramont, may seem to the future historian politicians of precisely the same species, political "dragons of the prime", differing less in rapacity than in efficiency.

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THE RISE AND PROGRESS OF THE MERIT SYSTEM[1]

AMONG the men who, during the last forty years, have taken an active part in the work of civil service reform in America, there is none more picturesque than Mr. William Dudley Foulke. His *Fighting the Spoilsmen* is full of anecdote and contemporary illustration. It lacks only a few cartoons, which might readily have been revived, to complete the story and enhance the interest. That of Guiteau, pistol in hand, demanding of Garfield "an office or your life", ought to face page 7. And we could wish that the publishers had prefixed a likeness of Mr. Foulke himself. Eaton, Curtis, Schurz and Roosevelt should be there, too, in habit as they lived. Still it must be admitted that Mr. Foulke's word pictures are very graphic and reproduce vividly the mind and spirit of these heroes of civil service reform.

It may be truthfully said that Mr. Foulke has given his life to the cause of the merit system with more exclusive devotion than any of its other champions. He was born in New York in 1848, was married in Indiana and four years later, in 1876, removed to that state. The evils of the spoils system were then probably more aggravated in Indiana than in any other state in the Union. They were every bit as great as they ever were in New York, even in the days of Tweed. Indeed, the story that the author tells of the shameful corruption in the management of the Indiana hospitals, the cruelty shown to the patients, the insufficient and decayed food furnished them, and the incompetence of the political hacks who were put in charge of the hospitals, cannot be paralleled even in Tweed's time. No Tilden had arisen to assail the political leaders who were responsible for these crimes and drive them out of public life or send them to the jail they well merited. But as a reformer, Foulke deserves to rank with our great New York Governor. He did for Indiana what Tilden did for New York. History has many like instances to record. When the tale of bricks is doubled, it is high time for Moses to appear. And he generally does.

Many things happened during the decade from 1870 to 1880 to arouse the public conscience of the nation. The development of rail-

[1] Fighting the Spoilsmen. By William Dudley Foulke. New York, G. P. Putnam's Sons, 1919—vi, 348 pp.

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roads and manufactures during the Civil War and the lavish expenditure which accompanied and followed it, had brought to the front great numbers of men to whom politics was only a gainful trade and who were ready to accept the opportunities which governmental activity afforded for private profit. To avail themselves of these opportunities, it was necessary to keep their own party in power, and since they were making politics a trade, they thought it legitimate to make governmental office and the ballot part of the merchandise. The shameful abuse of the power of appointment and removal, which had sprung up in the administration of Andrew Jackson, had become more flagrant under his successors. Not all the eloquence and political force of Daniel Webster had sufficed to diminish the intensity of the evil condition which he thus described in 1832:

> There is no civilized country on earth in which on a change of rulers there is such an inquisition for spoil as we have witnessed in this free republic. When, Sir, did any British Minister, Whig or Tory, ever make such an inquest? When did he ever get down to low-water mark to make an ousting of tide-waiters? When did he ever take away the daily bread of weighers, and gaugers, and measurers? When did he ever go into the villages to disturb the little post-offices, the mail contracts, and everything else in the remotest degree connected with Government? A British Minister who should do this and should afterwards show his head in a British House of Commons would be received by a universal hiss.

In his delightful *Reminiscences of a Long Life*, Carl Schurz graphically expresses his own similar observation of the occupation of congressmen in 1852 (volume ii, pages 26–27).

The evils which Mr. Webster attacked in 1832 and which Mr. Schurz described twenty years later, continued to increase. As part of the spoils system a custom had sprung up of assessing office-holders for campaign purposes. This reached its culmination during the campaign of 1880. Assessments were openly levied upon office-holders throughout the country in aid of the election of Garfield and Arthur A New York police justice rented a room at the Astor House, took off his coat, sent for all the clerks in the post-office across the street and levied a tax on each. The money thus collected was spent partly, no doubt, in legitimate expenses, but much of it was used to bribe voters. The expression, "marshalling the floaters in blocks of five", describes what took place not only in Indiana in the October election of 1880, but in many other states as well.

One of the most amusing features of the book is the light it throws

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on the character of the testimonials furnished by applicants under the spoils system. For example, it quotes the following letter written by a senator to a cabinet officer: "Dear Mr. Secretary, I will be with you to-morrow to urge the appointment of —— to the office of ——. Don't believe a word of what I am going to say to you and don't appoint the man." (page 93)

The spoils system had come to be so firmly established that it became obvious to thoughtful men that attacks upon individual offenders would be inadequate and often futile. The system itself had to be assailed. The story of the assault and its success, which is graphically told by Mr. Foulke, can be only summarized here.

In 1867, Thomas A. Jenckes of Rhode Island made a report in the House of Representatives and introduced a bill to reform the system of appointments which Webster had satirized. Jenckes convinced President Grant of the advantages of the merit system, and in 1871 an act was passed authorizing the President to lay down rules for admission to the civil service, and George William Curtis was appointed chairman of an advisory board. But Congress refused an appropriation to meet the necessary expenses, and the civil service of the country became more than ever the spoil of politicians. One useful act, however, was passed in August, 1876, which made it an indictable offence to demand, pay or receive assessments from office-holders "for political purposes."

Meanwhile, Dorman B. Eaton of New York, a lawyer of distinction and courage, who had been one of the most effective adversaries of the Tweed Ring and the Erie corruption and plunder, published a book on the civil service of Great Britain which still deserves to be studied. It was widely read and influenced and instructed public opinion. The first Civil Service Reform Association was organized in New York in 1877. George William Curtis became its president in 1880 and put the whole force of his eloquence and public spirit into the reform campaign. Dorman B. Eaton was asked by the Association to draw a bill to be presented to Congress that would establish a real merit system for appointments and promotions in the federal civil service. He did so, and a committee, of which the writer of this review was a member, spent many evenings with him, revising the bill. It was then taken to Senator Pendleton of Ohio, who had introduced a bill of his own, but who, seeing the merits of the Eaton bill, introduced it in the Senate on January 10, 1881, and advocated its passage.

President Garfield was inaugurated on March 4 of that year. He was beset by a horde of office seekers, and on July 2 he was assassi-

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nated by one of them, Guiteau, who had failed to receive an appointment. This crime aroused the conscience of America. On August 11, 1881, the National Civil Service Reform League was organized and has been active ever since. In the words of Carl Schurz, "The movement commenced a work, in its purpose and extent comparable only with the Anti-Corn-Law League in England." "We have", said Mr. Curtis, "laid our hands on the barbaric palace of patronage and begun to write on its walls 'Mene, Mene.' Nor, I believe, will the work end till they are laid in the dust." Associations were formed all over the country and the press gave efficient support. The action of Congress was quickened, and the bill introduced by Senator Pendleton was passed and approved by President Arthur on January 16, 1883. To quote Mr. Foulke:

> Not only has the competitive system had eloquent advocates, but it has had most skillful artificers. The men who framed the Federal Civil Service Act created a mechanism of marvelous adaptability and efficiency for accomplishing the end they had in view. I regard that act as one of the most skillfully devised statutes ever passed by a legislative body [page 315].

The admirable and distinctive feature of the act is that it established the competitive merit system in the federal civil service, prescribed general rules for its administration and left the extension of the system and the formulation of detailed rules to the president and the civil service commissioners. It has served as a model for many subsequent statutes, notably that organizing the Interstate Commerce Commission. This method of legislative drafting has many advantages, chief among which is its flexibility. The rules may be modified as experience dictates, and the classes of office-holders to which they apply can be extended by executive order. No amendment by act of Congress is required to perfect the administration of the system. Dorman B. Eaton was chairman of the first Civil Service Commission. He was wise in proceeding slowly at first, for the difficulties incident to the administration of the new system were many. Even representatives who had voted for the Civil Service Act found its requirements irksome.

In 1883 the New York legislature, on the recommendation of Grover Cleveland, passed the first state civil service reform act. Massachusetts soon followed suit. In New York each city administers its own system. In Massachusetts all are administered by the state commission. Many other states have adopted similar acts. The principle of selection for office on the ground of "merit and fitness" as shown by competitive

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examination, has been embodied in the constitutions of New York, Ohio and Colorado.

In 1884, the reviewer was appointed chairman of the first Municipal Civil Service Board in New York City, and Edward M. Shepard was appointed to a similar position in Brooklyn. Their experience was like that of all who have held similar offices. There was constant pressure for the exemption from competition of applicants for particular offices. This usually arose from the desire of the appointing officer to select a friend and supporter for the office, but sometimes from failure to appreciate the possible scope of examinations. These should always relate to fitness for the particular position and experience has taught examiners many tests of fitness which were not known at first. There is no magic in civil service examinations; each should be adapted to the requirements of the position to be filled.

In vigorous language Mr. Foulke shows how the merit system was administered. Theodore Roosevelt, appointed by President Harrison in 1889, and Mr. Foulke himself, appointed by President Roosevelt in 1901, were, no doubt, the most energetic of all our civil service commissioners. But Eaton, John R. Procter and many others have been efficient and have wisely performed the difficult task of adapting the several examinations to the requirements of the respective offices.

It was not only in efficient administration of examinations that Mr. Foulke distinguished himself. Before he became commissioner he was chairman of an investigating committee of the National Civil Service League and discovered many infractions of the law. One of the boldest of them was in the Internal Revenue Service in Kentucky in 1899. A collector in that state had sent the following letter to a deputy:

> Knowing your zeal in such matters and the campaign funds being low and being very desirous of nominating Attorney-General Taylor for Governor, I respectfully appoint you a collector and hope you will push the matter and do everything you can for us. Respectfully, Charles E. Sapp.

As chairman of the investigating committee, Mr. Foulke wrote:

> It is interesting to observe the political results of the lawless policy adopted by the collector in levying assessments and packing primaries for the purpose of securing a "Taylor" delegation in the State Convention. Taylor, who was nominated to the governorship by such means is now (1901) a fugitive from justice, indicted for complicity in murder, while the Republican majority in the Fifth Congressional District (in which these transactions occurred) was reduced from 12,500 in 1896 to 3700 in 1900.

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Your committee is personally assured by men of standing and responsibility in that community that this difference of over 8000 votes is largely due to general indignation at the political methods of Collector Sapp.

The exposure of Sapp's methods led to their discontinuance, but it was not until after Mr. Roosevelt had become President that Sapp was indicted, convicted and punished.

In the federal service the merit system included at first only 14,000 places. It now applies to more than 300,000. It has been extended to cover, as Mr. Foulke says, "the railway mail service under Mr. Cleveland; the free delivery service, under President Harrison; pretty much everything left in the department under Mr. Cleveland's so-called 'blanket' order, during his second term; the Philippine service under Mr. McKinley; the rural free delivery, the census, the Spanish war service, as well as the registration of laborers, under President Roosevelt". Important extensions were made by President Taft. During President Wilson's administration the vicious method of riders on bills for general legislation has been used to compel the exemption from the competitive system of certain specified places. This method of compulsion is prohibited by the constitution of many states and should be prohibited by all. During these years there has been a progressive extension of the classified service so as to include the higher grades of municipal, state and federal officials.

Theodore Roosevelt, as United States Civil Service Commissioner, as Police Commissioner of New York City, as Governor of New York and as President of the United States, had a greater opportunity to extend and perfect the administration of the merit system than any other man. He deserves all honor for his courage and wisdom. But to say, as a man whom we love has recently said, "From Arthur's term to Cleveland's last term as President, the reform continued a barren ideal. Chiefly through Theodore Roosevelt, it became in the next ten years, a vigorous purifying practice, until in our day it is accepted by all as having immeasurably improved the public service"—this is fulsome eulogy. Roosevelt himself would have been the first to repudiate such an extravagant statement. He and Cleveland had much in common. Dauntless courage and devotion to duty were qualities for which both were eminent. The same is true of Eaton, Curtis and Schurz. Each played a great part in the drama of civil service reform and we honor them all. It does not add to the glory of one to ignore the rest.

It is not surprising that a man of Mr. Foulke's intense nature should

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occasionally be unfair. In his criticism of the first administration of Mr. Cleveland he speaks of the tariff as the "latest born child of his political fancy". Mr. Foulke forgets that the reform of the tariff was promised in the platform on which Mr. Cleveland was elected in 1884, that he had declared that "unnecessary taxation is unjust taxation", and that his Secretary of the Treasury in December, 1885, had pointed out the inequality and injustice of the existing tariff. In fact the Democratic party, both in and out of Congress, had been advocating tariff reform since 1876 with much more earnestness than civil service reform.

But on the whole, both in his book and in his career, Mr. Foulke has been equally severe and just in censuring violations of the Civil Service Law, whether committed by Democrats or Republicans. Perhaps no man has done more to expose and punish such violations. His book is an important contribution to the history of his time.

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REVIEWS

The Value of Money. By B. M. ANDERSON, JR. New York, The Macmillan Company, 1917.—xxviii, 610 pp.

The central theme of this book is the value of money—one variety of economic value. Inasmuch, however, as the author holds that law, moral values and economic values all belong to the "same general class, *species* of the *genus*, social value . . ."; he is led to consider "virtually the whole range of economic theory" (pages vii and 26). The book is divided into four parts: Part i deals with the value of money in its relation to the general theory of value; part ii is devoted to a critical examination of the quantity theory; part iii to the author's own theory of the value of money; and part iv to "the reconciliation of statics and dynamics."

The philosophy of part i may be briefly summarized as follows: Value is a quality, it is also an absolute quantity and not, as many economists claim, purely relative (pages 5–7). "Values may simultaneously rise and fall" (page 8).

> There are individual values, marginal utilities, of goods which may differ in magnitude and in quality from man to man, but there is, over and above these, influenced by them in part, influencing them much more than they influence it, a social value for each commodity, a product of a complex social psychology, which includes the individual values, but includes very much more as well [page 26].

For a fuller treatment of his concept of social value, the author refers us to his earlier book *Social Value.*

Starting with this social value concept, the author examines critically one by one various theories relating to the value of money. He concludes that there is "no sense in which the terms, demand and supply of money, can have relevance to the problem of the value of money" (page 62). Cost-of-production theories do not explain the value of money (chapter 3) nor does the capitalization theory of value in its present formulation. The marginal utility theory is not valid for money nor for any other class of goods (page 83).

In part ii (covering 263 pages) the author undertakes to pound the quantity theory of money to powder and blow the powder away out of the palm of his hand. To use his own words, he challenges "virtually

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every contention and every assumption of the quantity theory" (page xvi). He declares that the equation of exchange as a statement of a mechanical relationship is a perfectly harmless and useless proposition, a mere truism (page 157); as a statement of a functioning law it is absolutely fallacious.

While the author refers to many interpretations of the quantity theory, his criticisms are directed primarily to that given by Professor Irving Fisher in his book on the *Purchasing Power of Money*. Next to Fisher's interpretation that of the reviewer contained in his book on *Money and Prices* is the object of the author's criticisms.

Among the numerous criticisms urged against the quantity theory the following are emphasized by the author. It is a mechanical theory, he holds, which assumes blind habit and fluid prices, a theory which may properly be dubbed a "dodo-bones theory", since it falsely assumes that objects otherwise valueless, like dodo-bones, may circulate as money, being given a value by scarcity and monetary demand. Banks do not tend to keep fixed ratios of reserves to deposits, as quantity theorists assume, therefore M in Fisher's equation does not control M (chapter 9). The V and V′ of Fisher's equation do not vary independently of the other factors in the equation, but are influenced by M, M′, T and P, and by forces that affect all of these factors (chapters 12 and 13). The quantity theory assumes that the price level is always passive and that the direction of causation is toward P from the other factors in the equation of exchange. Anderson challenges this claim of Fisher's and maintains that "particular prices can, and do, rise, without a *prior* increase in money or bank deposits, or change in the volume of trade, or in velocity of money or deposits and also without compensating fall in other particular prices" (page 293). The quantity theory cannot explain the elasticity of bank credit (pages 283–284) nor international gold movements (chapter 16) and is in obvious conflict with Gresham's law. The bimetallists in their chief contention were out of harmony with the quantity theory (page 219, note). The statistical tests of the quantity theory made by the reviewer and Fisher "are, with the exception of the figures for money and deposits, widely at variance from the real facts in the case, and . . . if they were correct . . . could in no sense be said to constitute proof of the quantity theory" (pages 335–336). A functional theory of money must be a dynamic theory; the quantity theory, being a theory of "long run tendencies", "normal *equilibria*" and "static adjustments", "touches the real problem of the value of money not at all" (page 393).

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Part iii on "The Value of Money" discusses the origin of money, the value of gold, the functions of money, the nature of credit, the character of American bank assets and the functions of bank reserves. Along with much valuable material which will prove widely acceptable among economists, it contains some doctrines that will appear startling to most of them—doctrines which, in the judgment of the reviewer, few economists will accept. Most readers will be surprised at the relative importance which the author attributes to speculation in the country's total business and particularly at the importance he attributes to it in New York City. "The great bulk of trade in the United States", we are told, "is SPECULATION, rather than that sort of trade which is determined by 'physical capacity and technique'" (page 241). The importance of the speculative business of New York City has been grossly underestimated, the author claims, by the reviewer and Fisher, who "have systematically buried New York City, and systematically covered up speculation," (page 383). He devotes 52 pages to "the rediscovery of a buried city". Speculation "makes up the overwhelming bulk of trade in the country" (page 255) and bulks particularly large in New York City, where "wholesale" and "retail" deposits are a small factor (page 392). "We cannot assign to New York City less than a major part of the total check deposits of the whole country" (page 351).

In the light of the experiences of 1917 and of the studies of Hollander, Mitchell and the reviewer, economists will hesitate to accept the declaration that "stock market collateral loans . . . constitute the most perfectly satisfactory sort of bank loan, from the standpoint of liquidity" (page 514); and that Wall Street "by using a large amount of bank-credit . . . increases the amount available for ordinary business" (page 517). Few will be convinced by the argument that the provision of the Federal Reserve Act which forbids federal reserve banks to discount stock exchange paper was a mistake, one important reason cited by the author being that it "prevents, in large degree, the federal banks from being effective weapons against the money trust," (page 518). Not many economists will accept a concept of statics so narrow as to justify the author's conclusion that "*the static law of bank reserves is that none are needed*" (page 543).

Part iv is devoted to the reconstruction of statics and dynamics. After one has noted the broad interpretation given by the author to the term dynamics and the narrow one given to statics, he wonders what is left of statics to be reconciled. The lion lies down with the lamb, but the lamb is inside.

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It is difficult to evaluate a book of this kind within the limits of this review, because it contains so much to be commended and so much to be condemned. Every chapter and nearly every page contains challenges to those, like the reviewer, who believe in the essential soundness of the quantity theory of money, when that theory is rationally interpreted. The book is refreshingly original, keen in its analyses, broad in its familiarity with economic literature and meticulous in its criticisms. It is a book on value but is lacking in a sense of values. As an exercise in dialectic, it would have been a masterpiece in the days of scholasticism. It is better on its negative than on its positive side. It is boldly iconoclastic. It fearlessly attempts to break to pieces the old economic idols and offers in their place the author's economic pantheism of social value.

"Social value", we are told by the author, "assumes a 'social organism' which can give value to goods." There is "a mind of society, a physical organism", a "one greater mind", a "social mind" with an "organic character." "Social value" is "something superindividual" from which economic activity, if motivated at all, receives its guidance (*Social Value*, pp. 84, 85, 87, 199).

If, after reading statements like these in the author's *Social Value*, to which he refers the reader for a full treatment of the subject, we turn back to *The Value of Money* and read his answer to his critics, we find ourselves at a loss to comprehend just what this social value is, to which we must turn for an explanation of the value of money. Here the author tells us that "all mental processes are in the minds of individual men. There is no social 'oversoul' which transcends individual minds, and there is no social 'consciousness' which stands outside of and above the consciousness of individuals." John Dewey, we are told, was right when he said "the human mind is what happens to the human animal in a social situation" (pages 16–17). We are inclined to accept these latter statements as sound, but when we have subtracted the disclaimer from the "claimer", we find little left of social value except the commonplace that the individual and his economic values are socialized products. We begin to doubt the omnipotence of this new god which has been set up in place of our old idols. We are not certain whether the individual minds make the social mind or the social mind makes the individual mind. In fact, we have an uncomfortable feeling that in this reasoning there may lurk an instance of that "vicious circle" which the author is so much given to discovering in the reasoning of others.

The quantity theory may be viewed either as an equation of exchange showing the mathematical relationships of the various factors or as a

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functional theory. With the author's claim that the equation of exchange as a statement of a mechanical relationship is a mere useless truism few people will agree. The equation is self-evident only in the sense that the fundamental theorems of geometry are self-evident. It is useful because it analyzes and brings together in a convenient and easily remembered form the general factors determining the price level.

Some of Anderson's criticisms of Fisher's concept of the quantity theory are cared for in the reviewer's concept under the term business confidence. (See *Money and Prices*, pages 82–88, 121–126).

The reviewer is not prepared to say that there may not be rare cases, as, for example, cases of deliberate changes in a monopoly price, in which individual price changes may initiate forces that will permanently affect the price level. He knows of no actual instance of this kind, however, and finds Anderson's hypothetical illustration, involving as it does a reduction in the rate of monetary turnover, (pages 309–310) far from convincing. In the main, the movements of price levels are the results of movements in the other factors in the equation and not their causes—certainly this is true of the great price movements of recent times, whether they be of gold prices or of depreciated paper money prices. It has been as an explanation of these long-time price movements that the quantity theory has had its chief discussion. And the price movements with which most students of money are chiefly concerned are movements of commodity prices and labor, not the prices of highly speculative securities in a market like Wall Street.

Anderson's contention that V, V′, M and T in the equation of exchange are not independent variables and that this fact vitiates the quantity theory, will not disturb believers in that theory. They will accept *with qualification* the statement that these factors are not always independent variables, but will deny that this is a disproof of the quantity theory. Practically all quantity theorists admit the interdependence of these factors *during transition periods*. An increase in M, for example, frequently stimulates V, through increasing P, and may also cause an increase in V′. Changes of this kind are part of the mechanism by which a disturbance in one of the factors exerts its influence in the direction of restoring and maintaining equilibrium. This equilibrium is a world equilibrium, for political boundaries have little significance for an economic law, and changes made within a political area may have their compensations in other changes without that area. The real question is whether the factors, V, M, V′ and T are dependent variables as a permanent, long-time proposition, in contrast with a temporary and transitional one. Is there any reason, for ex-

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ample, why a permanent doubling of M in itself should lead to a permanent change in V or V'? If there is a fundamental interdependence of these factors in the equation other than that existing during the transitional periods, Anderson has failed to prove it. To the contention that all periods are transitional periods because the world of business is a dynamic world, the obvious answer is, "yes, to a degree," but in studying phenomena so complicated and active as those of the modern business world, the student is compelled to assume states of equilibrium and then to allow for the factors abstracted. An economic law tells merely what will happen under certain conditions. We can get nowhere in economic reasoning without assuming conditions that are not fully realized in the work-a-day world. Such assumptions are the scaffolding used in the erecting of the building. There is nothing more fundamental in economics than the law of proportionality which finds expression in a continual tendency toward equilibrium. The assumption of equilibria is a perfectly valid and commonplace procedure in the statement of scientific laws and in the reasoning by which these laws are arrived at.

"The ultimate test of scientific theory", the author says, "must be practice." "The chief claim for the present theory of value [the social value theory] is that it not only unlocks all the doors that earlier theories have unlocked, but also others which have resisted the old keys". The man who would go into the modern stock market armed with the old theories, we are told, "is like the man who would fight Hindenburg with bows and arrows. . . . The social value theory is offered as a better weapon" (pages 41–42). The reviewer agrees with Professor Edgeworth that the social value theory would not fare well from such a test, (*Economic Journal*, March, 1918, p. 67) and believes that the quantity theory is less likely to prove to be a bow-and-arrow theory than is the social value theory to prove to be one of innocuous gas.

The book is the strongest attack on the quantity theory of money that has yet been made, but that theory emerges from the shower of blows with no serious internal injuries and gives promise of surviving as the most vigorous theory of money in the field. Interpreted rationally and broadly, as an expression of long-run tendencies, the quantity theory of money as a functional theory, will continue to be acceptable to most economists. It meets the test of workability.

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American Labor and the War. By SAMUEL GOMPERS. New York, George H. Doran Company, 1919.—x, 377 pp.

This book is a collection of addresses delivered by Mr. Gompers during the period from September, 1914, to November, 1918, together with documents showing the attitude of the American Federation of Labor toward the war. It is a record of unswerving and consistent loyalty to the government and devotion to the cause which Mr. Gompers was among the first to characterize as a struggle of democracy against autocracy.

The earlier addresses bring out eloquently labor's reasons for opposing war and its interest in machinery for preserving peace. At Plattsburg in September, 1914, Mr. Gompers said:

> War has never meant [to the workers] opportunity for gain or exploitation. It has always meant for them privation, direst suffering, service on the firing line and in the actual fighting of the war, and bearing the burdens that follow in its wake.

And later in the same address he declared:

> The only result that could in any degree compensate for the present destruction of life would be the coeval destruction of militarism, autocracy, the fetish of the balance of power, and the fallacy that political domination must follow industrial relations and control. . . . Peace is the fundamental necessity for all government and progress—industrial, intellectual, social and humanitarian. . . . One of the main purposes of governments then must be the maintenance of international peace.

Already in May, 1916, he indicated his conviction that the war must be fought to a finish. He said:

> Hating war as I do, I am free to confess that if I could stop this war now by a turn of my hand I would not do it. I hold that something must be determined by this war, . . . whether the future belongs to autocracy and militarism or to democracy, liberty and humanity.

With this conviction Mr. Gompers showed his quality as a leader by causing his associates and followers to pledge their support to the government in the war even before war had been declared. On his initiative the Council of the Federation called a conference of the labor leaders of the country to meet in Washington in March, 1917. On the twelfth of that month, three weeks before the President's address to Congress urging our entry into the war, this conference passed a notable series of resolutions concluding with the prophetic words:

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Should our country be drawn into the maelstrom of the Europern conflict, we, with these ideals of liberty and justice herein declared, as the indispensable basis for national policies, offer our services to our country in every field of activity. . . . and we call upon our fellow workers and fellow citizens in the holy name of Labor, Justice, Freedom and Humanity to devotedly and patriotically give like service.

How far this "enheartening" declaration served to strengthen the President's resolution to put himself at the head of the mounting sentiment for war, and how far it was itself in response to advance intimations of the President's determination, has not yet been disclosed. That it was no empty pledge of service all the world knows. From the time that we entered the war until the armistice was signed, to win the war became the principal purpose of Mr. Gompers' efforts, not only as a public speaker but as the responsible head of the American labor movement. Two citations from the later addresses will serve to indicate his attitude. In September, 1917, he said:

Let us defer questions that can be deferred, questions that are likely to divide us in this war; let us remain united and fight it out no matter how long we fight—until America and America's allies shall prove victorious in the struggle.

In February, 1918, he declared:

When the Republic of the United States entered into this world struggle it ceased to be a war and became at once a crusade for freedom and justice and liberty. I hold it to be the duty of every man to give every ounce of energy in fighting, in producing, in helping in any way that he can, that this crusade shall be a triumph.

His activities in these busy months were by no means limited, as is well known, to this country. Some of the most notable addresses printed in this volume were delivered in Europe, where his solemn declaration on behalf of America's wage-earners that "we will give to the last man, to the last dollar" to win the war, could not but reënforce the determination of the workers of the Allied countries to "carry on" until the end.

Quotations do scant justice to these addresses. Considering that they all relate to the same general theme, they are surprisingly free from repetition. Even though many of the ideas they contain are ideas which the war has made familiar to all thinking men, they are yet interesting and instructive. No one can read what Mr. Gompers

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has said and not be impressed by the combination of idealism and robust commonsense which, even more than his unquestioned political sagacity, have enabled him to retain for so many years his pre-eminent position in the American labor movement.

The addresses and other documents in this volume tell only the smaller portion of the story of what Mr. Gompers did to help win the war. While supporting the government by voice and pen, he was also taking the lead in the organization and direction of all of the machinery which was created by agreements between departments of the government and representatives of labor to insure the continuous prosecution of essential war industries. To say that that machinery was all wisely devised and efficiently operated would be to exaggerate, but all the more credit to Mr. Gompers and the responsible officials of organized labor for the results achieved! By means of it, such as it was, and by their aid, the wheels of industry were kept continuously revolving, and this country was able not only to insure the defeat of Germany but to hasten that defeat by many months. It is to be hoped that the "Official War Record" of this volume may one day be supplemented by an unofficial record of Mr. Gompers' other services to his country during the war. The complete story entitles him to the esteem and gratitude of his fellow citizens.

HENRY R. SEAGER.

The British Revolution and American Democracy. By NORMAN ANGELL. New York, B. W. Huebsch, 1919.—xix, 319 pp.

Labor and Reconstruction in Europe. By ELISHA M. FRIEDMAN. New York, E. P. Dutton and Company, 1919.—xix, 216 pp.

Problems of Reconstruction. By ISAAC LIPPINCOTT. New York, The Macmillan Company, 1919.—340 pp.

It is presumably a good omen and a matter for congratulation that publishers find themselves able to sell any book with the word "reconstruction" in its title. Momentarily, it is the word to conjure with—until one opens the numerous reconstruction volumes; then a feeling of oppression sets in. This feeling is reinforced by three considerations. It is discouraging to find the publishers so lacking in discrimination. It shatters illusions to find authors willing to put their names to inadequately prepared books. It is lamentable to think that American readers cannot be provided with more substantial fare.

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Of the three books here under review only the one which is written by an Englishman escapes the obloquy which is all too likely to fall upon our reconstruction literature. Mr. Angell is interpreting to America, in the light of its present problems, the program and the spiritual animus of the Labor Party of Great Britain. He is preëminently equipped for the work by reason of his close knowledge of public affairs in both countries, his dispassionate mind and his lucid, if sometimes too extended, exposition. The book frankly confines itself to this task of interpretation, and only in the last part, especially in the final chapter, "Why Freedom Matters", does Mr. Angell rise to the use of his full powers as an analytical and constructive political writer. Here his pamphleteering abilities are superlatively displayed, and if the book has any permanent value, it will be because of the inclusion of this essay. For the rest, we are indebted to Mr. Angell for supplying the average American reader with a background of knowledge and running comment which he must have if he is to understand the world significance of the activities of British labor. Unfortunately, Mr. Angell's book may never reach the audience to which it would be of greatest service.

Mr. Friedman's volume does not fulfill the promise of his earlier *American Problems of Reconstruction*. His attempt is to present the important reconstruction programs of the European countries; and, of course, he is laboring under the handicap of considering subject-matter which fairly proliferates over night. Even so, it is hard to excuse the very summary and second-hand reference to so much material which was readily at hand at the time the author went to press. Nor can it be said that the book provides the interpretative setting so essential to a balanced understanding of the reconstruction programs of Europe. It is predominantly an abstract of documentary and literary material, provided with little or none of the setting of contemporary evidence. For the student who is interested to inquire into the reaction of the working class and of political parties to the war problems in Europe, the bibliography will perhaps serve as useful a purpose as the text. This criticism is in a sense redundant since the author warns that "the critic will see evidence of hasty execution." This is too easy a way to secure exculpation from what is really a fatal shortcoming in a book on so important a subject.

Mr. Lippincott's volume continues the discussion commenced by Professor Gray's *War-Time Control of Industry*. It is a useful and compact reference book on the machinery of the war-time control in the various governmental departments. Covering the whole field of political organization as it does, the treatment is necessarily brief, and

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little attempt is made to evaluate the permanent uses of all the machinery of control which is discussed. The book is almost completely objective; the author seems fearful of being found in the act of expressing any personal opinion. In consequence, he leaves the task of reconstruction exactly where he found it, except for the information he gives; that is, he leaves it as a series of problems toward the solution of which he offers no specific suggestions.

ORDWAY TEAD.

NEW YORK CITY.

Readings in Industrial Society. By LEON CARROLL MARSHALL. Chicago, The University of Chicago Press, 1918.—xxiv, 1082 pp.

As indicated in the subtitle of this formidable volume, the author has brought together a large array of descriptive material for "a study in the structure and functioning of economic organization." Among a considerable number of students in the social sciences the feeling has been growing that economics, as studied in our colleges and universities, lacks the substance and security which is often obtained in other fields of intellectual endeavor by a happy coördination of historical perspective and speculative logomachy. With a view to attain such an end, there have appeared in recent years several volumes of "selected readings" for the study of economics and economic problems. The present one is a creditable addition to this goodly list in the publication of which the University of Chicago Press has taken a leading part.

The material has been selected with the two-fold purpose of furnishing the student with "the historical background" of present economic organization and, more particularly, of pointing out "some outstanding features of modern industrial society." By way of further accommodation to the student, each chapter is prefaced with a brief summary of "the problems at issue" together with an imposing catalogue of questions bearing on its subject-matter. The questions are in part adapted from an earlier booklet of *Outlines* used in connection with introductory courses in economics in the University of Chicago.

The selection of readings, in point of amplitude, is quite above criticism—containing something over four hundred titles. For the most part the selections are judiciously made, though it cannot confidently be said that the author's familiarity with the literature of his subject is wide. Practically all the material has been drawn from English and American sources, and in the rare instances of citations from non-English-speaking authorities, the author has been content to

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depend on translations of their lesser works. For instance, scarcely anything could be more illuminating or more timely, in a study of modern industrial society, than some reference to Ehrenberg's *Das Zeitalter der Fugger*, or to Sombart's *Der Moderne Kapitalismus*, or to Loria's *Il Analisi della Proprieta Capitalista*. The compiler of the *Readings* does not seem to have been attracted by any of these works. On the other hand, scarcely anything could be less edifying or more perfunctory than the selection of about a dozen lines, picked from quite a secondary source, out of which the student is expected to get some inkling of "the merchant of the early middle ages" (page 98). This is perhaps unavoidable in any scheme of educational undertaking of which the chief desideratum is a mechanical simplification of learning. In the nature of things such a systematization must be limited by the exigencies of time and space while at the same moment it must not do violence to the technical requirements of the appearance of comprehensiveness, all of which is easily satisfied by a meticulous regard for the "advertising page" which, in the case of this syllabus, consists of an imposing and inspiring table of contents.

Notwithstanding these trifling oversights and discrepancies in the make-up of the syllabus, the *Readings*, as a clerical enterprise, is a commendable achievement. It errs, if at all, rather in being exhaustive than in being inadequate. For, after all, the problem involved in a book of "readings" is one of intellectual standardization, and the problem of such a standardization is not so much one of sources and source material as of coherence and unity of the material selected. Without the element of cohesiveness an intelligent study of industrial society cannot be made from the simple tabulation of excerpts and briefs from books dealing with industrial society, any more than an adequate understanding and appreciation of ancient Hebrew culture and civilization can be had from a catechetical elaboration of the Old Testament.

Ostensibly and avowedly (page 1) the purpose of the syllabus is to give the student what in other sciences might be characterized as an evolutionary or historical point of view. This has been the apology of the so-called historical school of economics. But just as the adepts of that school have fallen short of their goal, so the course of readings in this volume fails of its purpose and precisely for the same reasons. The study of the structure and functioning of modern society is a proposition in dynamics; the connecting tissue, which the author finds ready to hand for binding together the elaborate array of descriptive facts, is made up of the postulates and preconceptions of current economic

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theory, which presupposes a rigid and static organization and condition of society. All through the endless fluctuation and shifting of industrial forces and processes, when owner-employer gives way to manager-employer, who, in turn, disappears in the wake of the promoter and the financial agent under whose directive acumen industry has come to be the handmaiden of business, the author is marking time on a dry shoal up-stream and, with the serene complacency of an eighteenth-century theologian, speaks of the "*fact* that the entrepreneur serves as a sort of insurance concern for the worker" (pages 520, 628). Such a conception of the entrepreneur seems somewhat out of place in a preface to a chapter dealing with the wage-system in the twentieth century. Quite in consonance with the assumptions and implications of the theology of a by-gone age, there is also present the didactic and apologetic gesture, presumably for the peace and comfort of the student (pages 305, 406). It is difficult to see what bearing this has on a study concerned with the description and analysis of the structure and functioning of economic organization.

The facts in modern economic and industrial society are in constant flux. They are subject to forced movements. Any attempt to clothe this category of facts in the garb of the metaphysical circumlocutions of current economic preconceptions is likely to result in a grotesque misrepresentation of industrial society. The *Readings* is conceived in the image of mail-order merchandising and quantity production. It stands to the study of industrial society in much the same relation as the multiplication table to the science of mathematics.

LEON ARDZROONI.

NEW YORK CITY.

Regulation of Railways. By SAMUEL O. DUNN. New York, D. Appleton and Company, 1918.—x, 354 pp.

Most readers of Mr. Dunn's book will agree with his conclusions as to the defects in the past methods of railroad regulation in the United States, but impartial readers will regret that his extreme bias has led him to give a distorted picture of the conditions upon which much of his criticism is based. He starts out with the long familiar discussion of the poverty of the railroads during the three years preceding 1916. Advancing costs of operation and "many idle cars in every yard" caused a serious decline in net revenues. He asserts that most students of transportation think that the relief granted to the carriers by the Interstate Commerce Commission, in the way of increased rates, was

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inadequate. If some of these students of transportation would show, by an analysis of the statistics presented by the Commission in its decisions, that the rate advances permitted were too small, their views on the matter would command more respect. The condemnation of the Commission's action is never accompanied by such an analysis.

Most railroad experts do not carry the gloomy account of the financial reverses of the railroads beyond 1915, because of the difficulty of explaining the fact that the year 1916 was the most prosperous year the carriers ever had. Mr. Dunn does not dodge this problem, though he postpones its consideration until he has proved to his own satisfaction that the railroad troubles of the preceding years were caused by low rates. He finally explains the prosperity of 1916 by the statement that it was to some extent "artificial", because the railroads had made such small expenditures for equipment for several years that the investment upon which the percentage of return was computed in 1916 was much smaller than it would normally have been. One wonders why the railroads, "with many idle cars in every yard", should have spent money for new equipment during the lean traffic years, even had rates been high enough to provide the necessary means. Moreover, if such purchase had been thought desirable, the leading railroads of the country had an ample surplus from former years of prosperity to acquire more idle cars.

The fact can not be escaped that the general business depression following 1913 affected the railroads adversely, just as it affected many other lines of business adversely. The railroad interests think it desirable that they be permitted to avoid all loss during times of depression, and Mr. Dunn gives evidence of his sympathy for their attitude by making a government guarantee of net earnings the central feature of his program for railroad reform. He ascribes many of the ills of the carriers to "enforced competition". He endeavors to convey the impression that for many years the railroads have competed actively with one another in rates as well as in service, asserting that the Sherman Law and the Act to Regulate Commerce have "often accomplished the lawmakers' purpose of compelling unrestrained competition in rates", placing the railroads at the "mercy of big shippers", who were in a position to dictate their rates by threatening to divert traffic from a disobedient road. Mr. Dunn can not help knowing that, in spite of the provisions of the law against rate agreements, such agreements have been made and have been consistently maintained for many years. He knows, likewise, that competition in rates among the carriers was more active before the Act to Regulate Commerce was passed than

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after and that for several years such competition has been virtually unknown. He is complaining of a condition which no longer exists.

Mr. Dunn's most surprising statement is that railroad pooling before 1887 "had incidentally the effect of largely pooling facilities". This is a statement with which few students of transportation will agree. Pools were designed for the sole purpose of controlling rates, and competing lines were under just as strong inducements to maintain control of exclusive advantages in the days of pooling as afterward, since the percentages of traffic were annually readjusted on the basis of the showing made by the various members of the pools during the preceding year. In fact, one of the strong defences of pooling was that it did not prevent competition in service. Moreover, the law against pooling did not forbid joint operating activities, and Mr. Dunn is again laboring under a misapprehension in ascribing the failure of the Railroads' War Board to unify the operation of the roads to "government regulation of one kind or another". In dozens of cities the carriers have bitterly opposed the efforts of the public to secure a unified terminal organization. Some of them refused to forego their competitive advantages after the war began. When the roads are returned to private operation, it will take more than mere "permission" to secure the unification of operating facilities.

In his discussion of railroad labor controversies, Mr. Dunn naturally assumes the view of the railroad manager. He believes in the limitation of the right to strike, solely because the employees have in recent times obstinately refused to accede to their employers' request for arbitration. The dozens of examples of the refusal of employers to meet the desires of the workers for arbitration receive no mention. In stating that the railroads "promptly" took the Adamson law "into court to test its constitutionality", he might at least have observed that they waited until the day after the November election.

It is unfortunate that Mr. Dunn has not shown a more impartial attitude in his presentation of the facts of the railroad problem, because in most particulars the conclusions he has reached with respect to our railroad policy could have been reached without the use of prejudiced testimony. In his consideration of the question of government ownership of railroads he has been more careful, and it would be difficult to find a clearer or more convincing argument against the adoption of such a policy than that which he has given.

T. W. Van Metre.

Columbia University.

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Social Process. By CHARLES HORTON COOLEY. New York, Charles Scribner's Sons, 1918.—vi, 430 pp.

The "process" (a term which the author thinks preferable to "adaptation" or "selection" because it is more descriptive and obviates mechanical or biological implications) is the interaction and reciprocal growth of the forms of life—of the organic whole. To Professor Cooley "organic" connotes no biological analogy such as it does to Lilienfeld, Spencer or Schaffle, but means merely that society "includes the whole of human life in the sense that influences may be and are transmitted from one part to any other part so that all parts are bound together into an interdependent whole." Two classes of "forms" make up the organism. They are "personal", *i. e.*, men, and "impersonal", including "associations of men, traditions, institutions, conventions, theories, ideals." These overlap with "the same life entering into both" forming the growing unity—society.

The "process" may be intelligent, but is, as a matter of fact, largely unconscious. The telic aspects of social evolution are largely illusions. Even personal growth, the author thinks, is, to a considerable degree, unconscious. The "tentative process" is no other than the natural or trial and error method. "One form of life feels about among the various openings or *stimuli* offered by another, and responds to those which are most congruous with its own tendencies." The "process" is to be viewed also as one of organization. It brings about a "system of coördinated activities fitted to the conditions." Structure having arisen, may appear as though planned, but for the most part it is an unconscious growth. There is variation or initiation attributable to an antecedent system of tendencies coming into contact with "fecundating conditions".

The greater part of Professor Cooley's thirty brief chapters is devoted to a detailed and suggestive discussion of various phases of the social process. Part ii takes up the personal side of the process under such topics as opportunity, culture, class, success, morality, fame, competition, emulation and discipline. Degeneration, as a phase of social process, is treated in part iii. Statistical methods are criticised, and a plea is registered for "a large synthesis of life". Part iv deals with "Social Factors in Biological Survival". Heredity and environment are thought of as complementary and coöperating, instead of opposing, factors. A moderate struggle is held to be indispensable for the maintenance of the biological type. The best strains should be kept up, and quality is no substitute for quantity of offspring. In part v,

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group conflict is looked upon as incidental to the integration of mankind. However, as "an organic international life" has developed, war has become obsolescent because when afflicting any part, it menaces the whole social organism. Sane observations on the race problem are here offered, but not all readers will be satisfied with the handling of class conflict. Part vi treats of "Valuation", which "is only another name for tentative organic process." This, I venture to think, is the most penetrating, challenging and original part of the volume. The last part is concerned with "Intelligent Process" as one aspect of the social whole. "Intelligence is presented as tentative in its method." It has to "feel its way" with the individual and with the group. A free conflict of ideas must be maintained. Rational control means setting standards and exercising oversight; it does not imply the substitution of a conscious for an unconscious process, and social science can never become exact; mechanical control based upon statistically determined laws is a false and futile aim. Also the idea that the growth of intelligent control constitutes progress is repudiated as a partial view.

The book is well done, like everything else from the pen of this classical scholar. It is perhaps not too much to say that the organic view is here adequately presented for the first time, and that it certainly invalidates all particularistic approaches, whether theoretical o practical. It is not, however, faultless. No doubt Professor Cooley himself would admit that it is only "tentative". This might indeed be called a book of opinions which could be challenged on good evidence by men of a contrary mind. Moreover, one gets from it an impression that the social process is an orderly affair, and that it takes place within an established order. Professor Cooley does not reckon with cataclysmic or revolutionary change. He does not allow place for a phenomenon unknown to the organic world—namely, a social revolution like that in Russia today. But surely this, too, is social process. Nevertheless, and after all criticisms are made, *Social Process* is a contribution to sociological knowledge of great merit and is distinctly exceptional.

NEWELL L. SIMS.

THE UNIVERSITY OF FLORIDA.

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Budget Making in a Democracy: A New View of Budget Making. By EDWARD A. FITZPATRICK. New York, The Macmillan Company, 1918.—x, 317 pp.

This is clearly a work of advocacy. What is advocated, however, the reader is left to surmise until he is well on toward the end of the book. While the author opens with Gladstone's frequently quoted statement of the fundamental importance of a budget and says that it "admirably expresses the point of view of this book", the reader finds that the point of view is taken for granted or is left with but brief elaboration. The first three chapters are devoted to an attack on "the executive budget idea". In the chapters which follow the arraignment is continued, and joined with it is an attack on "the legislative budget idea." Intertwined with these criticisms and in the "conclusion", is found the "new view", which, in fact, represents such parts of the executive budget idea (elaborated by "its principal and most intelligent expositor . . . in the United States") as, in the opinion of the author, is suited to that form of decentralized administration by boards and commissions which is typified by the state organization of Wisconsin.

How clearly the author follows the proposals of the "expositor" of the executive budget idea referred to, may be best seen from his final summary (pages 292–298): (1) "Each subdivision of each of the departments shall organize its experience in terms of budget proposals for submission to the departmental heads"; (2) "The departmental head reviews these budget estimates in the light both of his experience and of his judgment and passes the result along"; (3) "The estimates are transmitted to the executive. . . . He must view departmental estimates and national or state needs in the light of the financial resources of the nation or state. This coördination is the duty of the executive"; (4) "The budget proposals are presented to the legislature"; (5) In order that the members may have the benefit of painstaking scrutiny and consideration when the estimates are taken up in the legislature, it is proposed that there shall be created within the legislature a single appropriation committee for the majority and "a committee of criticism . . . . to collect reliable information without relying on the routine administrative machinery" in the hands of the minority, the minority to have the right "to summon administrative officers before the bar of the legislative house . . . [to] answer specific questions, particularly on subjects and aspects of questions upon which the administration did not voluntarily supply full information with the budget proposals"; (6) In order that there may be fullest discussion and publicity, use must be made of the committee-

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of-the-whole procedure, all barriers to inquiry, criticism and argument must be removed by "rules reform both of committee procedure and of floor discussion", the "limit placed upon the length of legislative session" must be removed, "the privilege of the floor" must be extended "to proper administrative officers so that budget proposals may be adequately presented to the legislature and adequately defended by the makers of the proposals" and the public must be "invited to participate in the legislative consideration of the budget committee-of-the-whole"; (7) Finally, all financial measures are to be brought together as one piece of legislation.

This is the "new idea" which is put forward as "a practical budget procedure" which may be adopted "within the present limits of our government and within its present character", with "no need for constitutional amendments." On the other hand, "the so-called executive budget program proposes a shifting of the center of gravity of our government. Its tendency would be toward autocratic executive power."

In view of the fact that every one of these proposals enumerated (except the public hearings in committee-of-the-whole) has been taken bodily from the executive budget propaganda, the chief subject of attack, we must now look for variants. These are of two kinds: executive budget proposals eliminated by the author because they tend to "autocracy"; and executive budget proposals which are not mentioned, the purpose of which is to make the executive responsible—to prevent autocracy. The proposals for the executive budget which have been eliminated as an "insidious" method of establishing an autocracy are these: (1) the appearance in person of the chief executive or some one of his choice before a committee-of-the-whole of the representative branch, and, where the constitution admits, the presentation, discussion and defence by him of the budget on the floor in regular session, without a right to vote; (2) insistence on a separate vote on the amount requested for each service or office, to find out where the members stand; (3) the right of the executive to correct or amend while the proposals are under discussion; (4) denial of the right of the legislature to increase amounts requested or to add new items, except by separate bill. The aim of these proposals is to enable the people to follow the proceedings and to think clearly about what is going on—to define and locate responsibility and avoid the confusion of issues. They are, however, characterized by the writer as vicious and undemocratic. "Autocrats are made this way, but not leaders". He asks, "Are we to have one-man government? That is the fundamental question back of the executive budget propaganda."

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The proposals which have been ignored and treated as non-existent are those which provide for popular control over the legislature as well as the executive. This subject is despatched as follows: "The saving element in its theory [that underlying the executive budget's] is ultimate popular control. Any government under effective popular control would be accepted as democratic. But no feasible scheme has been proposed in theory for the exercise of popular control." This statement does violence to the facts. If it had been said that the author himself makes no such provision in his "new view", that no advocate of the "legislative budget" has made provision for popular control, that not a single advocate of government by boards and commissions has made such a proposal, that none of the changes in statutes and constitutions to the present time have dealt with the subject—the statement would have had the ring of historic accuracy. But the fact is that proponents of the executive budget are the only ones who have proposed a method of popular control. Their only reason for making proposals which look toward locating and defining responsibility has been to enable the people to know what they are voting for or against when an appeal is made to them. Furthermore, the proponents of the executive budget have gone so far as to say that until such provision is made, no form of budget procedure can give us responsible government.

The gist of the author's preachment is this: "Without any feasible scheme of enforcing responsibility to the electorate we have made our government irresponsible—a constitutional autocrat for a definite term without any possibility of control." Since we cannot have responsible government, then a decentralized administration under independent boards and commissions is a thing to be preferred. Therefore a budget procedure must be devised which will perpetuate this form of irresponsible government. If the American people are ready to accept the conclusion that we cannot have responsible government, then the author's proposal is to be commended.

FREDERICK A. CLEVELAND.

NORWOOD, MASSACHUSETTS.

France Facing Germany. By GEORGES CLEMENCEAU, translated by ERNEST HUNTER WRIGHT. New York, E. P. Dutton and Company, 1919.—xxix, 396 pp.

This book is made up of two speeches, delivered in 1908 and 1911, and a number of newspaper articles published in *L'Homme Libre*, from May, 1913, to December, 1914, and in *L'Homme Enchaîné*, from October, 1914, to May, 1916. Clemenceau's paper having been

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suppressed on account of its bitter criticism of the policies of the government, the *Free Man* became over night the *Man in Chains* but, nevertheless, remained very free indeed. It is much to be regretted that the articles do not continue as far as November 13, 1917, when Clemenceau, after the fall of the Painlevé cabinet, had to drop the pen of the journalist to take the helm, "not to play politics", as he said in his first speech before the Chamber of Deputies after having accepted the premiership, "but to *Wage War!*" The title of the book, *France Facing Germany*, might better read *Clemenceau Facing Germany*. But after all, is not this grand, old man, with his many failings and splendid virtues, a true personification of dauntless France?

A man of Clemenceau's caliber is a rare exception, but he exhibits, nevertheless, the principal characteristics of the French race. Born in Mouilleron-en-Pareds, in that ultra-conservative province, La Vendée, where, after the Revolution the royalists waged for nearly twenty years a merciless and hopeless guerilla war against the revolutionary "blues", he comes of good old blue stock. His forbears for three centuries followed the same calling, that of country doctors, in the same spot, thus showing that deep attachment to the profession and the soil that is so typically French.

The Gallo-Celts of the western coast have been called the most French of the French; they are idealistic, critical, passionately fond of their personal freedom, born fighters, obstinate and tenacious. The dominating, controlling sentiment in Clemenceau's life is patriotism, which takes in him a peculiarly tender form; he loves France as one loves a woman. At the beginning of his political career he saw his country defeated and torn. He is the last survivor of the deputies who in 1871 protested in the Bordeaux Assembly against the cession of Alsace-Lorraine and refused to accept the accomplished fact. The humiliation of his country had, in his mind, been brought about by political conditions against which he fought all his life. On the other hand, he never forgot the ever-present menace of Germany; although not a militarist by any means, he never let pass an occasion of warning his fellow-countrymen of the necessity of preparedness. Both of the speeches at the beginning of the volume and the articles written before the war sound this note:

It is the first law of people that they must defend the heritage of their past and for this must establish a force which inspires serious thoughts in the invader of yesterday whom fate urges to begin to-morrow. . . . .We have

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been vanquished, but we are victims who are resolved to live not in subjection to the conqueror but in the honorable independence of thought and action of which our ancestors made the history of France.

On the eve of the war the tone changes; it is cooler with the coolness of the resolute man under fire; thenceforward his articles are watchful of all that appears to hamper the carrying on of the war to a successful end. But if he calls to account the leaders who fail in what he considers their duty, with what admiration does he speak of the *poilu!* What excellent examples of unbending energy does he give to those behind the lines; with what scathing irony does he flay the hypocritical declarations of the enemy or the weakness of certain neutrals! The book is a faithful account of the reactions of the French nation under the frightful pressure of the war, but never at any time do we find a hint of discouragement.

The soldiers of the year II were astonishing products of French nature. Our silent sons whom, even yesterday, I could not look at without having words of pity rising sometimes to my lips, have reached and passed them at one bound. . . . The whole people of France is in arms, proud to have thrown off the heavy weight of the common things of life for the magnificent enthusiasms of disinterested ardour. . . . We'll carry on, we must, it is the "God wills it" in this great last crusade of civilization against savagery; "we must" is the cry of the man who falls; "we must" is the sole thought of the soldier who stays crouching in the pit of a shell hole; "we must" is the word of command of the soldier and that of his chiefs also in all the grades of the service; for those behind the lines our word of command is the same, "we must". Shame on the man who does not understand the word.

And when at the end of 1915, the German Kaiser begins his "chirping for peace", it is to a *poilu* that Clemenceau refers him, to Sergeant Poissonnier, whom he met in one of his many trips to the front:

You will find him fresh and rosy, your Majesty, smiling and merry as could be desired.

I should recommend patience to him as you have to your own men, but only to hold him back, not to urge him on.

He is trying to sleep like your own men under the fire of machine gun and cannon, in the muddy pools of the trenches, and he sleeps and wakes contented, because the enormous catastrophe which you inaugurated has given him the firm consciousness of a magnificent destiny, for which he and his comrades had not believed they were born. Under the bombs and among the corpses I could say nothing to him because he inspired in

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me the respect of great things simple in their grandeur. Foolish encouragement, even at the moment of leave taking, might have lighted a flame of indignation in his eyes.

Above all he would have been convulsed with laughter at the mere question "Aren't you tired?"

Clemenceau's *poilu* is not downhearted like Barbusse's, but he is none the less true.

Speaking of the dominating figures of the Peace Conference, some one has said: "At the two poles we see Wilson, an idealist, Clemenceau, a realist, and in between, Lloyd George, an opportunist". At first sight it sounds like a rather clever fore-shortening of the three men; in reality it is nothing but a superficial epigram; Clemenceau is an idealist in the same degree as Wilson, if not in the same way. In *France Facing Germany*, the peculiar form of Clemenceau's idealism is what strikes us most, not because it is Clemenceau's, but because it is French.

The absolute ideal is not given to man; we know that but too well. The most ignorant among us has received assurances that what we call truth is but an elimination more or less complete of errors. In the hour of crisis modesty is imposed upon our declarations. Do you not admire the way in which everyone, at the first sign of the general peril, tacitly took for his dominant principle the obligation to subordinate everything to duties so all-important that they pass even beyond the interests of the country, because the future of the race is involved in them?

This extraordinarily keen perception of the relativity of things has elements of sadness and of grandeur; it shows a remarkable development of humanity. People who read this book as a historical document will be disappointed; but the psychologist will find in it enlightenment on the *état d'âme* of the French during a most important period of their history.

As a writer, Clemenceau is, in turn, classic and romantic—classic in the way he handles irony and personal satire, romantic in his discussion of ideas. This gives to his style two different forms, the one incisive and admirably clear, the other heavier and sometimes rather involved. In his daily articles these two manners are intermixed, giving an impression of passages of forceful eloquence followed by flashes of irony, harshness and even jest. The style of Clemenceau, the orator, is quite different from that of Clemenceau, the journalist. It is simpler, clearer, more direct. He speaks very much as one fences; having

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before him an audience he wishes to convince, he does not indulge in digression, never strays from the point but takes hold of his auditors and dominates them masterfully.

Mr. Ernest Hunter Wright has done justice to the difficult text he had to translate. The English version gives the same impression as the French, so far as the differences between the two languages permit the transference of the spirit and form of the original.

P. DE BACOURT.

COLUMBIA UNIVERSITY.

Greece before the Conference. By "POLYBIUS". London, Methuen and Company, Limited, 1918.—xxvi, 116 pp.

This is perhaps the most authoritative book that has yet appeared on the subject of the claims of Greece to regions which, as having been for centuries largely inhabited by Greeks, should long since have formed part of the Kingdom of Greece. The author, who veils his personality under the name of "Polybius", is evidently fully conversant with the diplomacy of Greece throughout the war, and probably the most illuminating chapters in the book are those which deal with Italy's attitude toward Greece.

At the very beginning he recognizes that Greece's enemies and detractors within the Entente wished her to be kept out of the war and were, therefore, subtly aiding and abetting Constantine, the proven enemy of the Entente and the warm supporter of Germany's schemes in the Balkans and the East. This jealous hostility still aims at belittling Greece's achievement, emphasizing her delay in entering the war and her desertion of her ally, Serbia, although for both of these mistakes Constantine and his *entourage* of courtiers and army officers educated in Germany were entirely responsible. They were utterly repudiated by the Greek people not only after the dethronement of Constantine but in the two elections of 1915, when they chose "Venizelos and war" as against "Constantine and peace". Those who remember the effect of the slogan, "He kept us out of war", will appreciate that not only Venizelos but the Greek people must have felt that right was on the side of the Allies. Greece contribued far more troops to the Balkan front than any other one nation, and their courage and effectiveness were rated highly by the British and French generals. Unfortunately, little mention of their achievements found its way into the American newspapers, though the orders of the day often testified to their bravery.

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In his discussion of the Bulgarian claims, "Polybius" proves that, far from having any right to hegemony in the Balkans, either on historical grounds or on the basis of numerical superiority, the Bulgarians, until they were forced into the Pan-Slav movement by Russia in the last decades of the nineteenth century, have never controlled regions outside of Bulgaria proper for any length of time and are, in fact, numerically inferior to Greece, Serbia and Rumania, there being only 5,000,000 Bulgars as opposed to 8,000,000 Greeks (including those who should now be united to Greece), 11,000,000 Serbs, and 11,000,000 to 12,000,000 Rumanians. Any claims that Bulgaria might have to special consideration at the Peace Conference are rendered null and void by her inhuman barbarity in the conduct of the war and by her repeated violations of neutrality in permitting troops to pass through her territory to Turkey, both before she entered the war and after she had signed the armistice. Her duplicity in negotiations with the Entente and the aid which she thereby rendered to Germany certainly resulted in the prolongation of the war by several years.

As to the regions where Greek and Turkish populations are more nearly equal, as in Asia Minor, the author shows that the Greeks have always been tolerant of the religious beliefs of other peoples and points to the fact that in the Balkan Wars they respected Turkish mosques, schools and private property, quite unlike the Bulgarians, who in one case even turned a mosque into a Congregational chapel! There are at present fifteen Turkish deputies in the Greek Parliament, representing the Mussulman parts of Macedonia, and in Crete and Thessaly since the union of these districts with Greece, there has been little or no complaint raised on the score of Greek treatment of Mohammedans.

Apart from the Dodecanese, where Italy's rights are *nil*, if nationality and self-determination are to be deciding factors in the drawing of the new map of Europe, it is in Northern Epirus that the interests of Italy and Greece most seriously clash. In the break-up of European Turkey after the first Balkan War Italy saw her chance to control the whole western part of this region, and the fact that she will probably possess the Dalmatian coast has not made her relax in the least her efforts to control Albania and Northern Epirus since the signing of the armistice. The people of this latter region, who are, in spite of Albanian immigration, predominantly Greek, even the Albanians there having repeatedly shown their national Greek consciousness, revolted when the Protocol of Florence in November, 1913, decided that it should be annexed to Albania in deference to Austria and Italy, and in 1914

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the Powers came to terms with the Provisional Greek Government and decided that Northern Epirus should be autonomous, with only a nominal allegiance to Albania. During the World War, Constantine used Epirus as a path of communication with the Central Powers, and Italy, which has followed the policy of holding the cat and playing with the kitten, took advantage of this pretext, with the consent of the Allies, to occupy Northern Epirus. This occupation she has utilized, as in the Dodecanese, to root out Greek schools, Greek officials and Greek influence generally.

The following quotation from this important book well illustrates the spirit in which the author writes:

> These are grave charges to be brought against a great free nation and a member of the Entente Alliance in these days of enlightenment. They smack more of olden times—the times and ideas of Machiavelli or Metternich's Holy Alliance. But they are none the less true in every particular, as proved by events which are matters of common knowledge, and could be fully corroborated by the confidential correspondence of the Entente Governments. Italy has, unfortunately, shown but too plainly in her attitude and policy towards both the Greeks and the Jugo-slavs during the course of the war, that she has forgotten (it is to be hoped only temporarily) her old traditions, to which she owes her own unification and position as a Great Power, and given herself up to dreams of expansion and imperialism at the expense of neighboring States and nationalities.

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The Rise of Nationality in the Balkans. By R. W. SETON-WATSON. New York, E. P. Dutton and Company, 1918.—viii, 308 pp.

This volume is in many respects admirable. The matter has been carefully prepared, and the presentation is excellent; the maps, too, are helpful, although the scale makes them in places somewhat sketchy. The merits of the book are a substantial impartiality, a fearless criticism of British foreign policy in eastern Europe and western Asia and an accurate statement of events leading up to the passion for nationality in the Balkan states. Yet the discriminating reader will rise from its perusal with a certain sense of confusion. At the outset the question of Balkan nationality is treated from the point of view which the various native historians in the respective countries have presented in their own special pleadings. To their statements and conclusions the author lends

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himself with little reserve. The arguments of the Rumanians for their Roman descent are insufficiently offset by the very cogent reasons for dissent from that claim. The Bulgarian character of Macedonia is, in the Slavic pages, assumed as a matter of general acceptance, which it is not. Elsewhere the unrelated congeries of new stocks, the mixed salad, or *macédoine* of the French, are naively emphasized. Nowhere is the account of the all-important enclaves of one nationality within the territories held by another sufficiently elucidated. In regard to Montenegro and Ragusa there are elaborate opinions, which differ widely from those of the author. Furthermore, the well-known Maritza River is with rather exasperating pedantry printed "Marica" in most places, though in some the generally recognized English spelling is retained. Similar inconsistencies occur in other familiar designations, such as Koritza, Ohrida, Uskub *etc.*

Aside from such minor blemishes as inconsistent transliteration of Slavic names, well-nigh unavoidable under pressure and the dissonance of authorities, Slavic and west-European, the volume also necessarily suffers from the fact that it is almost equally divided between political and military history, about half of it being devoted to the events of several centuries and half to the military and diplomatic happenings of the four years preceding the outbreak of the Great War, as far as these can be stated. The author frankly recognizes that trustworthy statement of facts about contemporary war is impossible. "At the outset the complete absence of outside control of news enabled the rival General Staffs to supply Europe with false or misleading information regarding the progress of campaigns, and thus to impress or influence public opinion in the various capitals during a critical period when there was still danger of intervention." He might well have added that the operation of "outside control" under rigid and unscrupulous censorship at a later date resulted in very similar distortions of truth. It is extremely difficult to stimulate the exertions of a national public to the necessary degree when defeat upon defeat follows in swift succession. No falsehood has ever wrought more efficiently than that of Bulgarian successes after the real victory of Lulé Burgas in October, 1912. Utterly exhausted by a bloody battle in which the Turks fought furiously, the Bulgarian army was able to advance only seventy miles in sixteen days. To hide their sorry plight, they kept the war correspondents, an incompetent set of volunteer adventurers for the most part, far in the rear and announced to the world a stubborn three days' fight resulting in overwhelming victory at Tcherkeskir and an equally glorious assault on the Tchataldya lines before Constan-

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tinople, both announcements being pure inventions. The latter event was said to have occurred long before the putative warriors reached the scene, and when they did reach it they were hurled back with terrible loss. While the Bulgarians were supreme in misrepresentation, the Servians, Greeks and Turks could and did embroider the tales of their battles with almost equal skill. Bourchier, a correspondent of the *London Times*, is a veteran, and for long years his letters and dispatches were accepted as trustworthy. But while he came and went throughout the Balkans, he lived in Sofia so continuously that unconsciously he took on a Bulgarian bias and his accounts written almost entirely from hearsay were often misleading to the extent of misrepresentation. So far the Germans, as our author admits, have written the best accounts of the two Balkan Wars, but his own is excellent as far as the writer can control it.

For reasons given by the author, the volume comes to a rather abrupt end. It would be of greater value to the general reader if there were a few pages explaining the enormous determinative influence of the Balkan League and the Balkan Wars on the Germans and their instigation of war. The Germans were desperate in face of an insurmountable barrier between them and Turkey, such as the League and its successes bade fair to create, and still more desperate when the Ottoman Empire began to crumble and the goal of direct unbroken connection with Persia and the Persian Gulf became unattainable. The Great War really began in the Balkans, and there will be no lasting peace until either the people of the peninsula are educated to self-restraint and orderly government, or the heavy hand of the Western Powers takes charge of their affairs and trains them by a long schooling to forget intestine feuds, clanship and the vendetta. Their passion for pseudo-nationality, for distorted ideals of empire and for the excitement of war, is their bane.

William M. Sloane.

Princeton, N. J.

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SUPPLEMENT

RECORD OF POLITICAL EVENTS

[From August 1, 1918, to July 31, 1919]

BY

ELMER D. GRAPER

AND

HARRY J. CARMAN

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RECORD OF POLITICAL EVENTS

[From August 1, 1918, to July 31, 1919]

I. THE WORLD WAR

THE WESTERN FRONT. — The great counteroffensive on the German flank between the **Aisne** and the **Marne,** which had been launched by General Foch on July 18, 1918, proved to be one of the most important military operations of the war. It not only resulted in the elimination of the menacing salients directed at Paris and Amiens, but it broke the German offensive, which had been waged at a staggering cost, and led ultimately to the inevitable retirement of the German army eastward. This stupendous task was accomplished by means of a series of brilliantly executed manœuvers which had for their immediate purpose the cutting off of enemy communications at **Soissons,** La Fère and Fismes (see last RECORD, p. 4). By August 1 General Mangin had advanced into the territory just south of Soissons and on August 2 his army drove the enemy five miles beyond the Crise. To the north, detachments of his troops entered Soissons, where the Germans offered little resistance. On the evening of August 2 French cavalry and tanks advanced to the Aisne near Venizel. Meanwhile de Goutte, after taking Grand Rozoy, had begun an encircling movement on Fère by advancing his left across the hills to the north of the town and sending his American divisions to attack Coulonges on the east. By July 28 the Germans had been squeezed out of Fère. On August 1 de Goutte's left reached Bengneux and, driving the enemy rear guards rapidly ahead, advanced toward Braisne and Fismes on the **Vesle.** The Americans took Coulonges on August 2 and pushed on to Fismes, the last of the German bases in the salient under attack. Meanwhile the British and French divisions on the east side of the salient around **Ville-en-Tardenois** likewise advanced on August 2, passing through that village, taking Goussaincourt and Villers-Agran and pushing on to the Ardres river. In the meantime other troops moved west from near Rheims along the north bank of the Ardres reaching the south bank of the upper Vesle on August 1. By August 3 the allied line had been advanced to the Vesle. The Marne salient had been flattened for an average distance of two miles; 35,000 prisoners, 700 guns and 200 villages had been taken; and the front had been contracted from 80 miles on July 18 to 45 miles on August 3. The allied troops were now in possession of the entire southern bank except at the junction of the Vesle and the Aisne, where the Germans made a feverish and formidable effort to delay the

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allied advance. Small allied detachments thrown across the Vesle on August 4 met with determined resistance but held their ground until August 7 when additional troops crossed and advanced the line on a four-mile front from Fismes to the highway and railroad on the north, west of Braches. Two days later American troops captured **Fismette** and quickly consolidated the new position with those already gained across the river. The Germans, in their anxiety to hold the Soissons-Rheims salient and to prevent the troops of the German crown prince from being cut off, drew heavily upon the reserves of the armies of the Bavarian crown prince, in Picardy and Flanders. Thus weakened and fearing attack, the Germans, during the first week of August, withdrew from their positions west of the **Ancre** and the **Avre** to safer defensive positions behind these rivers.—On the morning of August 8 the Allies launched a drive against the German salient near **Amiens,** northwest of the one just eliminated. The British in conjunction with French and American troops opened a heavy attack on a thirty-mile front from **Montdidier** to **Albert.** After a very brief artillery preparation a large force of both heavy and light whippet tanks quickly advanced under protection of the heavy mist which shrouded the river valleys. The enemy, surprised and disconcerted, was forced back, leaving behind him an immense quantity of supplies. Within twenty-four hours the advance patrols of the allied armies had penetrated in some instances to a depth of seven miles behind the enemy lines and had taken 7,000 prisoners and 100 guns. The British advance was well-nigh irresistible; within a week the number of German prisoners had increased to more than 40,000, and guns captured numbered 700, while the Amiens salient had been converted by the Anglo-French offensive into a reëntering angle with the apex pointing toward the important railroad center of **Chaulnes,** twelve miles inside the old line. The Germans, in their endeavor to safeguard Chaulnes, rushed up all their available reserves, and while they were thus engaged the French uncovered their principal attack by regaining Montdidier and taking the heights north of the Oise, overlooking **Lassigny** and **Noyon,** with more than 25,000 prisoners and vast quantities of supplies. Along the entire Picardy front the allied troops kept the enemy busy; British and American troops stormed Morlancourt and Chipilly ridge and moved on Bray. South of the **Somme** they captured Bouchoir, Meharicourt and Lihons, repulsing bloody counterattacks near Lihons on August 11 and 12. The French, taking advantage of the situation in the north, continued their advance along the front east of Montdidier. By August 18 the enemy had been forced to retire at Bucquoy, six miles northwest of the important railway junction of **Bapaume.** Rawlinson with the British was only a mile from Roye, while the French were in close proximity to Lassigny and Noyon. In less than a month the masterly strategy of Foch had netted the Allies approximately

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75,000 unwounded prisoners, 1,800 large guns and 10,000 machine guns. Foch was made a Marshal of France on August 5.—On August 17 the French moved to the east by launching a new offensive on a fifteen-mile front along the Oise and the Aisne toward Laon and La Fère; by the evening of August 20 they had advanced from two to three miles on the entire front and had taken from 8,000 to 10,000 prisoners and many villages. Lassigny, now untenable, was captured without opposition on the 21st. The following day the French advanced seven miles to the north of **Soissons,** took several villages and crossed the **Ailette** river. — In the meantime the British began to hammer the enemy at Armentières and **Arras;** on the 18th they forced him back on a four-mile front between Bailleul and Vieux Berquin and the following day took Merville, thus flattening out the salient directed at Hazebrouck. Farther south, on the Ancre, the British under General Byng and the Americans under Major-General Read, on August 21, drove a wedge into the enemy line in the direction of **Bapaume.** On the 22nd the British captured **Albert** in a drive which netted two miles on a six-mile front; by the 27th they had entered Bapaume and were threatening **Combles** and **Péronne.** Meanwhile to the north the British, despite bitter resistance, had advanced eastward from Arras down the Scarpe and by the 27th they were beyond the farthest line of advance which they had made in 1917 (see last RECORD, p. 1). — While these operations were in progress another British force took Bray on August 24. A week later the Australians, advancing to Péronne, stormed its commanding height, Mont St. Quentin, and captured the city on September 1, taking about 3,500 prisoners and forcing the enemy to retire toward **St. Quentin.** — During the month of August, 1918, the British regained their losses of the previous March (see last RECORD, pp. 2-3) and were rapidly approaching the old **Hindenburg line** of 1917. Following the capture of Montdidier, French troops were sent to relieve the British before Roye; this replacement was successfully effected on August 25, and on the 27th the French in a two-mile advance on a twelve-mile front captured the town and more than a thousand prisoners. — On the 28th the French in an eight-mile drive took **Chaulnes,** recaptured forty villages and reached the Somme. Following the advance from Lassigny the French, by approaching Noyon from the north, west and south forced its evacuation on August 29 and the next day pushed on to **Ham** and **Guiscard.** At every point along the entire seventy-five mile line stretching from Soissons to Lens the Allies continued to sweep the Germans back. South of the **Oise** the French and Americans pushed eastward, the Americans taking Juvigny on August 30 and the French storming Mt. St. Simon, east of Noyon, on the same day. Within two weeks the Allies, in spite of desperate resistance, had practically driven the enemy out of the angle between the Oise and the Aisne and were in a position to attack

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the forest of **St. Gobain,** the cornerstone of the Hindenburg line. The Germans, fully realizing the importance of checking the French if they were to hold the Laon-La Fère line, strenuously attempted to halt the movement by counterattacks with picked troops. To the north, in the Somme area, they gradually withdrew, concentrating their forces before **Douai** and **Cambrai** on their old 1917 line.—Foch, on September 2, attacked on an eight-mile front along the Queant-Drocourt switch line toward Cambrai. In spite of determined resistance the British smashed the enemy line to a depth of five miles, captured 10,000 prisoners and many villages.—By September 18 the Germans had not only been defeated in the Somme area but had been battered back to a line running approximately from St. Quentin to Cambrai.—Farther north the **Lys salient,** on account of its depth, had never been of any considerable advantage to the Germans, and when it became apparent that the Allies were in the ascendancy the Germans began to extricate themselves from this pocket. The British pressed them closely, occupying Bailleul on August 30 and capturing Mt. Kemmel on the 31st, thereby forcing a further withdrawal on the part of the enemy along a twenty-mile front with a loss of 1,500 prisoners. — On September 1 the Americans, coöperating with the British in this movement, stormed the Flemish village of Voormezeele between the Ypres and Wytschaete ridge, while the British took **Neuve Eglise,** and by September 9 the Allies were in a position which commanded Wytschaete from the west. With the enemy driven back to the Hinderburg line, Foch began flanking by sending the Americans to wipe out the **St. Mihiel salient.** This famous salient, which for four years had enveloped the plain of the Woevre, was of extreme importance, since it not only linked up lines of communication vital to the enemy but stood guardian over the great iron fields stretching north, from which it was estimated that the Germans received eighty per cent. of their steel by way of the basin de Briey. It was also the outpost to the Metz fortifications and stood as an obstacle against an advance down the Meuse or an invasion of German Lorraine. The Americans, after an elaborate and intensified artillery preparation during the early hours of September 12 and preceded by a thousand tanks, advanced to the north while the French attacked from the west. The enemy tenaciously held on, but the Allies eventually swept all before them and within a week General Pershing, who was in command, had recovered an area of nearly 200 square miles and had captured approximately 20,000 prisoners and hundreds of guns as well as a large quantity of supplies, thus opening the way for an advance down the Meuse. The **American losses** were placed at 7,000, mostly slightly wounded.—Foch, by resorting to both frontal and flank attacks along the entire line from the North Sea to the Meuse, began that pounding which was to drive the enemy out of Belgium and France. This great offen-

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sive was in reality made up of five coördinated attacks: (1) toward St. Quentin and Cambrai; (2) toward Laon, to the north of the Aisne; (3) between the Aisne and the Vesle; (4) in Champagne, the Argonne and down the Meuse; and (5) in western Belgium.—In the St. Quentin-Cambrai sector the Allies, after they had carried the outer defenses of the Hindenburg line northwest of St. Quentin on September 18, were subjected to savage counterattacks by the enemy along the entire extent of their advance of twenty-two miles. These were, however, without avail, as Moeuvres, seven miles west of Cambrai, was reoccupied by Byng's Third British Army, which made another attack on the St. Quentin-Cambrai line a few days later. On September 27 Horne's First British Army, Byng's Third British Army, Rawlinson's Fourth British Army, with the Thirtieth American Division injected between Byng and Rawlinson, and Debeney's First French Army pushed forward, thereby opening a breach in the German defense. They crossed the **Canal du Nord,** captured several villages and 6,000 prisoners. The following day they continued their attack, took several towns, increased the number of their prisoners to 10,000 and captured more than 200 guns. With the enemy vainly attempting to reëstablish his Cambrai defenses, the Allies on September 29 pressed forward on a thirty-mile front extending from St. Quentin to the Sensée canal. Farther south the British crossed the Scheldt canal, and in the north the Americans, after capturing the Scheldt canal tunnel, pushed on to the outskirts of Cambrai. The same day the French moved on St. Quentin and by October 2 the entire town had been gained, but only after desperate house-to-house fighting. On September 30 and October 1 the enemy by means of furious counterattacks regained a little territory at the northern end of the Cambrai line, but his hold was temporary, for the British on October 3 renewed their attack on an eight-mile front from Sequehart to the Scheldt canal, took 4,000 prisoners, captured several towns and penetrated the enemy positions for a distance of five miles. The advance upon Cambrai forced the Germans to evacuate Armentières and the **Lens coal-fields.** On October 5 the enemy was driven from the heights northeast of Le Catelet, about midway between Cambrai and St. Quentin, though he constantly counterattacked in an effort to permit the withdrawal of troops and supplies from Cambrai, part of the city having been destroyed by fire and bombardment. There was no lull in the desperate struggle, and on October 8 the British and Americans, by dint of the most strenuous fighting, broke through the Hindenburg line between **St. Quentin** and **Cambrai.** The following day the British, in a ten-mile advance along a thirty-mile front, engulfed both Cambrai and St. Quentin. In one week's decisive fighting the Allies had torn a great gap in the enemy line, taken 30,000 prisoners and placed the enemy in a critical position. Following up their advantage they pushed on, capturing scores of

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towns and villages and driving the Germans from their partly completed fortifications at Le Cateau, and by October 11 they had reached the suburbs of Douai and Cuiney.—North and south of the Aisne, with Laon as the main objective, the French, supported by the Italians, advanced in cooperation with the remainder of the allied line. The town, while no longer of great strategic value, was, nevertheless, of immense importance as an observation post and a supply depot. Instead of trying to reach Laon by a frontal attack northward over the Chemin des Dames and the Ailette, as General Pétain had attempted to do the previous year (see last RECORD, p. 1), Foch employed a flanking movement, approaching it from the St. Gobain forest on the west and the Berry-au-Bac-Asfeld line on the southeast. During the night of September 20 and again on the 21st the Germans, by counterattacking, vainly sought to dislodge the Allies east of the Ailette and to cross the Vesle at Jouchery. Mangin, operating on the west flank toward the St. Gobain hills, took Fort de Malmaison on September 28, which movement placed him in the rear of the Chemin des Dames. Berthelot, coöperating with Mangin, pushed on to the north of Rheims toward Berry-au-Bac, the great German supply exchange depot between Laon and Rethel, which was occupied on October 7, and by the 12th the entire Chemin des Dames ridge had been taken by the Allies, the Germans retreating in consequence from the Craonne plateaus. The succeeding day the French occupied the battle-scarred towns of Laon and La Fère without opposition, the St. Gobain *massif* which protected both having previously been taken after a bloody struggle. —The vertex of the great German salient in France having thus been obliterated, the victorious French troops pushed rapidly forward toward their next objective—the frontier between Hirson and Mezières. In this movement Mangin, who had to traverse the greater distance, was flanked on his left by Debeney's First French Army which, after aiding the British in their advance on Le Cateau, united with Mangin and pushed eastward to within two miles of the formidable German positions at Guise. The enemy, by means of counterattacks, held this town until November 3. In the meantime, Debeney's troops on October 24 forced the Germans to withdraw on a fifteen-mile front to a depth of five miles; by the end of October they had pushed beyond the Oise; and on November 3 they had crossed the Sambre-Oise canal in the face of heavy machine-gun fire and advanced the line to the Nouvion forest. Simultaneously Gouraud with the Fourth French Army, on Mangin's right, was advancing north of Rheims in the vicinity of Rethel. Mangin, with his center pressed forward, reached the north bank of the Serre on October 25; ten days later his troops had crossed the Aisne at points between Rethel and Attigny. The difficult fighting for the French was over. On a front of approximately 40 miles, between the British on their left and the

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Americans on their right, they had made rapid strides, capturing Trelon, Fourmies and Hirson on November 9 and advancing to the Belgian border where they seized immense quantities of German supplies. Farther to the east, French troops advanced with little resistance across the Hirson-Mézières railway. Mézières was closely invested, for Gouraud, who had been delayed during the greater part of October, now advanced unopposed and on November 7 and 8 struck the Meuse between **Sedan** and Mézières, crossed the stream and quickly surrounded the latter city.—The Champagne offensive occurred in the sector from Rheims east to the Meuse; it had for its objective the cutting of the railroad line running from Metz through Sedan and Mezières to **Lille**, a line vitally important to the enemy. The attacking forces were the First American Army under Pershing and the Fourth French Army under Gouraud. Immediately following the elimination of the St. Mihiel salient, the Americans prepared to take over the lines then thinly held by the French on that part of the front between the **Argonne** forest and the Meuse; the French, aided by the Second and Thirty-sixth American Divisions, occupying the line from Somme-Py east to the Argonne. On September 26, two days previous to the great allied offensive in Flanders, Gouraud and Pershing opened their attack. The French, advancing between two and three miles the first day, reached the German second line. On September 30, after renewed artillery preparation, they again advanced and on October 1 and 2 took the railway junction of Challerange and the high ground extending northwest to Machault together with 14,000 prisoners. The Americans who were under Gouraud's command fought with consummate valor, the Second Division especially distinguishing itself west of Challerange. The French were now within five miles of Vouziers. The Americans, protected on their right flank by the Meuse but with their left exposed to the dangerous Argonne, drove ahead on September 26 for approximately six miles; the following day they made further progress along the Aire and the Meuse, captured several towns, including Malancourt, Béttincourt and Montfauçon and advanced within range of the famous **Kreimhilde line.** In the vicinity of Varennes the enemy made futile counterattacks. The Amercans, who had now stormed the first two lines of German defenses, spent a couple of days in clearing out snipers and machine-gun nests. Having completed this task they again forged ahead on October 4 in the direction of the important railway junction of **Grandpré.** The enemy resistance constantly stiffened but by October 11 Pershing had cleared the Argonne forest, which had been held by the enemy for four years, rescued the "Lost Battalion" and extended his lines to the east as well as to the west of the Meuse river. By October 14 he had gained a secure foothold on the Kreimhilde line and two days later took the strategic center of Grandpré at the vertex of the Argonne

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forest. The enemy made a desperate but futile attempt to regain his positions in and around Grandpré. On October 22 the Americans, attacking along a two-mile front to the north of the town, gained additional territory despite stubborn resistance; on the following day they broke through the Freya line — the last German bulwark protecting the great trunk railway that extends from Mézières to Metz *via* Sedan and Montmedy and parallels the Freya line ten miles to the north. This railway artery with its branches supplied the entire enemy front from Rheims to the Moselle. The Americans at once began to bombard that part of the railroad between Sedan and Montmedy with huge sixteen-inch naval guns, and at the same time air squadrons bombed the enemy troop centers. Meanwhile Gouraud had moved forward and on October 8 was two miles north of the Aisne. Aided by Mangin's advance on Laon and by the American movement along the Meuse he forged ahead, taking Vouziers on October 12. From this time until November 1 Gouraud's army was hindered in its descent of the Aisne by the operations necessary for the obliteration of the enemy salient of Le Cateau-Rethel. On November 1, however, Gouraud was again in motion, his army sweeping across the Aisne, and the enemy, weakened by the withdrawal of five Austrian divisions, retreated before the onslaughts of the advancing Allies. The Americans, crossing the Meuse on November 4 and 5 about ten miles below Stenay, pushed rapidly forward. Simultaneously on the left bank the Allies worked toward Sedan and Mézières. When hostilities ceased the Franco-American line was within five miles of the border, Sedan had been taken, Montmedy was invested and the Allies were facing the famous battle-grounds of 1870. Twenty-one American divisions composed of more than one million men had in an advance of twenty-five miles captured more than 26,000 prisoners and 460 guns. More important, they had cut the enemy's main east-and-west line of communications at Sedan. The French in their advance had taken thousands of prisoners and hundreds of guns. It should be noted that the signing of the armistice put an end to a vigorous attack which had been opened by the American Second Army in the Woevre area between Verdun and Metz on November 10.—Two days after the launching of the Champagne offensive Foch began to drive the Germans out of Belgium. The British fleet hurled avalanches of shells into the German coastal defenses and points of communication from Nieuport to Zeebrugge, while the Belgian army, supported by the British, attacked the enemy on an 18-mile front from Dixmude to north of Ypres. By September 30 they had taken Dixmude and Paschendaele, 6,000 prisoners and 30 guns and had penetrated the German line for five miles to a point about two miles west of Roulers. South of Ypres the British overran Paschendaele ridge and advanced in the direction of Menin. The Allies spent almost the entire first two weeks of October in con-

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solidating their positions. Meanwhile the enemy was destroying materials in Roulers, Menin and Lille, preparatory to withdrawal. **Roulers** was taken by the Belgians on October 13, and Menin fell to the British on the same day. On October 16 the Allies made a furious attack on a twelve-mile front east of **Ypres** in the direction of **Courtrai** and **Ghent** and in two days took over 12,000 prisoners and more than 100 guns. In four days the Belgians advanced 15 miles, reaching Thourout and Thielt. The British on their right pushed to the outskirts of **Lille,** the chief German supply center in the occupied territory. The enemy now accelerated his retreat, which had already been carefully planned and organized, withdrawing on October 17 from **Ostend** and **Zeebrugge** and evacuating all submarine bases along the coast. From October 18 to November 11 the Allies in Belgium were busy flanking and following up the retreating enemy. On October 19 the Germans evacuated **Bruges,** and when the armistice was signed the Belgians were pressing on Ghent, having taken approximately 15,000 prisoners in their advance. To the south the French with the Thirty-seventh and Ninety-first American Divisions began on October 31 to clear the angle between the Lys and the Scheldt, and on the same day the Allies drove the enemy to Oudenarde, 14 miles southwest of Ghent. In this part of the sector the Allies were rapidly forcing the enemy back toward **Brussels** when the armistice ended their advance. Rawlinson, in conjunction with the French and Americans, smashed forward on October 20 in the direction of **Valenciennes** and **Maubeuge.** The British gained in heavy fighting on October 23 and 24 and advanced toward their objective. On November 2 the Canadians entered Valenciennes, which had been abandoned by the enemy, and pushing eastward in conjunction with the French, who were advancing down the Sambre valley, took Maubeuge on November 9 and entered Mons on November 11, a few hours prior to the signing of the armistice. In less than a month the Allies had moved across Belgium.

THE EASTERN FRONT.—In a sense the eastern front virtually collapsed late in 1917. One of the first acts of the Bolshevik administration was the conclusion of a truce with the Central Powers preparatory to opening negotiations with them. Even prior to the signing of the Brest-Litovsk treaty on March 3, 1918, the Russian armies were rapidly demobilizing, and the Bolshevik government stated that it was no longer at war. Before the beginning of the period covered by this RECORD the eastern front, as such, had vanished from the war map.

THE ITALIAN FRONT.—By the middle of July, 1918, the Italians had cleared the western bank of the **Piave** of enemy troops (see last RECORD, p. 8), although the latter still clung to a few small islands below **Il Montello.** From this time until October 24 the Italian sector

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was comparatively quiet except for the recovery by General Diaz of several strategic positions in the mountain regions. — On October 19 Foch directed the Italians to drive forward. The time for such an offensive was propitious, for not only was the enemy retreating on the western front but the Austro-Hungarian defeat of the previous June, as well as political turmoil and social unrest, had demoralized the Dual Monarchy and reacted upon its armies. In this final blow the Italians used fifty-one divisions reënforced by three regiments of British, two of French, one of Czechoslovaks and one of Americans; opposed to them were sixty-three Austro-Hungarian divisions. On October 24 the Italians deluged the enemy's positions in the **Asiago** and **Monte Grappa** regions with murderous artillery fire. Within twenty-four hours they took 3,000 prisoners; three days later they had forced the enemy to yield more than 18,000 prisoners and had broken the Austrian line, ousting the enemy from his stronghold on **Mont Pertica** just north of Grappa. In compliance with Foch's aggressive strategy, three armies crossed the Piave on October 26 and 27 on a 30-mile front, one near Valdobbiadene, another near Susegana and the third in the vicinity of Grave di Papadopolo, and within two days they had penetrated the enemy's lines to Vittorio and Oderzo, a distance of seven miles, capturing 30,000 prisoners and a large quantity of supplies. The Austrian retreat became a rout and by November 1 the victorious legions had reached the Livenza — Vittorio, Sacile and Oderzo having been taken. Before the end came, the Allies had crossed the **Tagliamento** and the plains of **Udine.** The Third Italian Army on the lower Piave was entirely successful in holding the Austrians in their positions until it was too late for them to escape disaster. In the extreme north the enemy during the last days of October grimly resisted every inch of the way, especially in the Trentino, but before the armistice was signed the Italians had advanced beyond the railway terminal at the city of Belluno, thereby destroying communication between **Trentino** and **Veneto,** while farther to the west they had taken Roverto and **Trent** with thousands of prisoners and great quantities of war material, forcing the enemy into the mountains where retreat was almost impossible. At the time the armistice was signed, November 3, it was officially estimated that the offensive had netted the victors 300,000 prisoners and immense stores of munitions and materials, including 5,000 guns, 250,000 horses and about a million dollars in cash. Following this overwhelming military defeat Austro-Hungary collapsed (see *infra*, p. 34).

MACEDONIAN AND ALBANIAN FRONTS. — After a long period of comparative inaction the allied forces roused themselves. The Italians in July, 1918, developed a notable offensive in **Southern Albania,** which, by August 1, had resulted in the occupation of Berat and the linking up of the front from Saloniki to the Adriatic (see last

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RECORD, p. 6). — General Guillaumat, who had been organizing and training the Greek army, developed a plan for crushing the Bulgarian armies and recovering Serbia. This was to be accomplished by wedging a breach in the Bulgarian forces in the region of Kavadar, near the confluence of the Cerna and Vardar rivers, and then, by driving rapidly forward at a constantly expanding angle, separating the Bulgars and forcing their surrender. Owing to Guillaumat's recall to France, it fell to General d'Esperey, his successor, to effect the desired end. The attack was successfully launched on a ten-mile front beginning September 15, and in less than three days, despite bitter resistance and counterattacks, the Allies had extended their line beyond **Monastir** on the west and Lake Doiran on the east, covering a front of more than a hundred miles and capturing 15,000 prisoners. Taking advantage of the gains thus made, the French and Serbs in the center forged ahead up the valley of the **Vardar,** captured the important centers of communication—Gradsko, Koprula (Veles) and Uskub, forcing the now separated Bulgar armies farther apart and threatening the important Bulgarian town of Strumnitza. On the left, Italian, Greek and French troops, advancing from the vicinity of Monastir, crossed the Cerna, cut the enemy line of communication and took the military center of **Prilep** on September 25. The British and Greek forces on the right dislodged the Bulgarian Second Army from Lake Doiran and the lower Vardar, taking Strumnitza on the 26th with a large quantity of war material. There were reports that Austrian and German troops were hurrying to the support of the Bulgars, but the latter saw the impending collapse of the Central Powers and, with their military forces overwhelmed and cut off from retreat, became disheartened and were ready to abandon the fight. At noon on September 30 the fighting ceased with the **unconditional surrender of Bulgaria** (see *infra*, p. 29). While the British army stood guard over Bulgaria to see that she did not violate the terms of her capitulation, it remained for the French, Italian and Serbian armies with the assistance of the Czechoslovaks and the Jugoslavs to clear Serbia, Montenegro and Albania of the enemy. In less than two weeks the Allies had pushed up the valley of the Vardar to the Morava river, cutting the Berlin-Bagdad railroad, the only rail connection between Berlin and Constantinople. On October 14 they occupied **Nish** after a vigorous struggle and by the 27th the elated Serbians were advancing into **Herzegovina.** In Albania an allied naval and air force bombarded **Durazzo** on October 2, and the Italians entered the city on October 14 after having stormed the surrounding hills. The following day they entered Elbasan and invested Tirana 20 miles to the northwest; sweeping rapidly northward they reached Alessio on October 27 and when the end came they were advancing on Scutari. After the conclusion of the armistice with Austria the Allies agreed to joint occupation of Albania pending its final disposition by the Peace Conference.

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TURKISH FRONTS. — The close of the summer of 1918 found General Allenby on the southeastern front holding a line from the Mediterranean east to the Jordan about fifteen miles north of Jerusalem. He had materially strengthened his position by the construction of a military railroad from Cairo to Palestine and a water-pipe line from the Nile. The Samarian hills on his front were held by a force of about 130,000 Turks, who had an excellent line of communication running to El Afule, located in the heart of the plains of Esdraelon. The British commander, realizing that a frontal attack over the rolling hills would prove extremely costly to his army, conceived a strategic scheme which was brilliantly executed, and the enemy was completely baffled when on September 18 the British attacked along the entire line. The British infantry engaged the Turks in the hills west of the Jordan in a series of feints, while on the coastal side Allenby's troopers struck sledge-hammer blows. Smashing the enemy front on this sector, the British cavalry swept up the coast, flanking the main armies of the enemy along the Jordan and completely encircling the plain of **Esdraelon,** cut off the retreat of the Turks and virtually destroyed them; their German commander, General von Sanders, narrowly escaped capture. Simultaneously the tribesmen of the King of the Hedjaz beset the Turks on the right bank of the Jordan and by severing the railways radiating from Derat prevented an enemy retreat. On this drive Allenby's forces captured more than 75,000 prisoners and great quantities of guns and supplies. British airmen played an important rôle in this remarkable victory. The Turks were speedily driven out of Palestine, Allenby advancing northward almost unopposed. **Haifa** and **Acre** were occupied on September 23, and on October 1 British and Arab cavalrymen entered the famous city of Damascus and took 7,000 prisoners. French forces occupied **Beirut** on October 7. The victorious troops continued their northward march and on October 26 took **Aleppo,** the Turkish-German headquarters and the vital junction of the Palestine and Berlin-Bagdad railroads. General Allenby's rapid conquest of Palestine was one of the most notable exploits of the war. — On the **Mesopotamian front** General Marshall with an Anglo-Indian army was delayed in his advance toward Mosul by threatened enemy attacks upon his right wing in northern Persia and by the necessity of sending reinforcements to the Armenians in the Caspian region. By October 23, however, his troops were advancing rapidly and had the Turkish forces in full retreat. The last day of hostilities found Marshall still advancing, although the Turks were developing a stubborn resistance. — On the **northeastern front** the Turks had been exceedingly active during July, 1918, carrying their victories to the foot of the Caucasus mountains. They had captured Tabriz and Urumiah, had swept over northern Persia and were threatening the important Caspian ports of Erzeli

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and Baku, the great oil center. The Armenians and Bolsheviki who were defending these ports were joined on August 15 by a small British detachment which had been sent from India by way of Persia. A month later the British, in the face of a determined attack by the enemy, withdrew from Baku after setting fire to the oil wells and destroying munition plants and refineries. The Turks remained in control of Baku and the Trans-Caucasian territory until the signing of the armistice. By a supplementary clause of this document Baku and Batum on the Black Sea were both placed in the hands of the Allies. Turkey by her capitulation on October 31 virtually surrendered herself to the full control of the Allies (see *infra*, p. 33).

OPERATIONS IN AFRICA.—The fugitive German forces which took refuge in Portuguese territory on November 30, 1917, made their way into northern Rhodesia in September, 1918, where von Lettow, their leader, surrendered.

AERIAL WARFARE. — The war in the air was greatly intensified during the last few months of the struggle, supremacy resting overwhelmingly with the Allies. **Bombing raids** on important cities, munition and industrial plants and railway centers continued. In this branch of warfare the British were increasingly active; during the last three months of the war they made 249 raids on the Rhine valley, dropping 247 tons of bombs on strategic points and inflicting great damage to Mannheim, Trier, Stuttgart, Coblenz, Karlsruhe, Frankfort, Baden and other Rhine towns. So great was the alarm in Germany that on November 4 the German government proposed to the Administration at Washington that future bomb attacks should be directed solely "against important hostile military objects within the immediate area of operations of war". In view of the enemy air raids during the previous years upon the defenseless towns of Belgium, France and England, as well as upon hospitals far back of the fighting zone, this proposition received no immediate response. The Germans, while their raids became less frequent, **bombarded Paris** on August 6, killing 2 and wounding 392; during the first two weeks of August **zeppelins** made two unsuccessful attempts to raid the east coast of England. The dropping of **propaganda material** by allied aviators seriously disturbed the Central Powers.

MARITIME WAR. — Even before the armistice was signed the German people realized that the unrestricted submarine campaign had been a failure. From August 1, 1914, to September 1, 1918, German submarines sank 21,404,913 tons of shipping or 7,157,088 tons in excess of the tonnage turned out by the allied and neutral countries. During this period 3,795,000 tons of enemy ships were seized. Losses of allied and neutral shipping in August, 1918, amounted to 327,676 gross tons of which Great Britain lost 176,401 tons. By this time, however, the tonnage built was far in excess of that sunk, the United States

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alone constructing 339,313 tons. The German U-boats were especially active during September and October, but their destructive work was greatly diminished by their own losses and the allied convoy system. Enemy submarines were destroyed faster than they were built. It was officially stated in London on November 6 that after the adoption of the convoy system on May 25, 1918, 26,000,000 tons of food and 35,000,000 tons of munitions had been brought in convoy to England and that the loss of food-ships had been reduced from nearly 10 per cent. to 1 per cent. **England's total loss in shipping** during the entire war was more than 9,000,000 tons, ten times as great as that of France or Italy and seventeen times as great as that incurred by the United States.—The Germans continued their policy of attacking hospital ships; they torpedoed the British ambulance transport *Warilda* in the English Channel on August 3, killing or drowning over a hundred wounded men and several women nurses. They also pursued the policy of sinking passenger vessels without warning, a notable instance being the torpedoing of the Japanese steamship *Hirano Maru* on the morning of October 5, about 300 miles south of Ireland, with a loss of more than 250 lives. On October 10 they sank the Irish mail-boat *Leinster*, carrying 687 passengers and a crew of 70, in the Irish channel, causing the loss of 480 lives; more lives might have been saved had not a second torpedo completely demolished the vessel while the women and children were being put in the life-boats. On October 21 the German government announced that orders had been issued to U-boat commanders to cease attacks on passenger vessels, and at the same time it was reported that enemy submarines, having their bases at Ostend and Zeebrugge, were returning to the Kiel canal; no sinkings of passenger ships were reported after this date.—Troopships, due to the vigilant convoy system, did not suffer heavily; the *Persic* was torpedoed September 6 about 200 miles off the English coast; the vessel was beached and all on board saved. The *Mount Vernon*, torpedoed the previous day, was able to make port.—The U-boat which had been operating along the Atlantic coast, especially off Nova Scotia, on August 20 captured the Canadian steam-trawler *Triumph* and converted her into a sea-raider. The *Triumph* in cooperation with the U-boat then proceeded to raid the Newfoundland fishing grounds.—Some loss was sustained by allied war vessels, chief among them being the United States battleship *Minnesota*, which was damaged on September 29 off Delaware breakwater by an enemy-planted mine, and the British battleship *Britannia*, which was torpedoed on November 9 near the entrance to the Strait of Gibraltar. This was the last vessel sunk before the signing of the armistice.—Neutrals complained bitterly of the loss of their merchant marine. Spain, after an exchange of notes with Germany, on August 31 seized 90 German steamships lying in Spanish ports in substitution for Spanish tonnage

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destroyed. To compensate Holland for vessels sunk by U-boats, Germany turned over to three Dutch trading companies six ships which had been interned in Javan ports. The French government on August 29 decreed that safe conducts issued to neutral vessels by an enemy country would not be recognized by the Allies.—On October 2 Italian and British cruisers, aided by American submarine chasers, destroyed the Austrian war vessels and supply base at **Durazzo**; further damage was inflicted upon the Austrian fleet the day before Austria's capitulation.—By the terms of the armistice with Germany the flower of the German navy was handed over to the Allies pending final disposition to be determined by the Peace Conference (see *infra*, p. 38). The Russian Black Sea fleet which had surrendered to the Germans in June, 1918, was in turn handed over to the Allies on November 27.

CASUALTIES.—It is now possible to record with a reasonable degree of accuracy the grand total of casualties of all the belligerents from the beginning of the Great War down to the signing of the armistice with Germany. Against four nations on one side fifteen others were arrayed in combat. Of the remaining more or less independent nations of the world twelve declared war on Germany but did not actively engage in hostilities, five severed relations with Germany or her allies, and the others were seriously affected. Roughly speaking, 60,000,000 men were mobilized for war—39,676,864 by the United States and the Allies, and 19,500,000 by the Central Powers. Of these, 7,781,806 are dead, the Allies and the United States having lost 4,869,478 and their adversaries 2,912,328, while 18,681,257 were wounded —11,075,715 on the side of the Allies and 7,605,542 on the side of the Central Powers. Thirty per cent. of the wounded, more than 6,000,000 men, were irreparably maimed. Official estimates show that total casualties, including prisoners and missing, were sustained by the principal European belligerents as follows: Russia, 9,150,000; Germany, 6,066,769; Austria-Hungary, 5,211,000; France, 4,506,600; British Empire, 3,089,757; Italy, 2,800,000; Turkey, 1,000,000; Serbia, 450,000; Rumania, 400,000; Bulgaria, 264,448; Greece, 100,000. The total casualties of the United States were approximately 275,000. These figures refer only to the armies and take no account of the untold suffering and death among civilians from famine, disease and massacre, nor do they take account of the civilian deaths resulting from direct military causes. In the first category it is estimated that over 9,000,000 died, while in the second probably more than 100,000 were lost.

THE UNITED STATES AND THE WAR.—The expansion of the military forces of the United States from less than 200,000 men on April 1, 1917, to more than 3,600,000 on November 1, 1918, constitutes one of the most notable achievements in military history. When the armistice with Germany was signed, the United States had in Europe

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more than 2,000,000 men. Of this number, British ships had carried 48¼ per cent., American ships, 46¼ per cent., Italian ships, 3 per cent. and French ships, 2½ per cent. Because of the activities of enemy submarines it was necessary to provide a **convoy and escort system.** All troops sent abroad in United States vessels were escorted by United States cruisers, destroyers and other anti-submarine craft, and the majority of those carried in allied vessels were likewise escorted by the navy. The United States navy supplied 82¾ per cent. of the maximum strength of the naval escorts employed in transporting American troops, the British navy 14⅛ per cent. and the French navy 3⅛ per cent. The United States, within the short period of a little over a year and a half, built up a service that, in spite of the enemy's attempts to prevent it, transported almost a million men without the loss of a single man at the enemy's hands.—The American army was for the most part raised under the **Selective Service Acts of 1917 and 1918,** under which approximately 23,700,000 males between the ages of 18 and 45 inclusive were registered. On August 24 there were registered 158,000 men who had reached the age of 21 years since the previous registration day, June 5, 1918, and on September 12, 13,228,000 more—all those between the ages of 18 and 45 not subject to the first Selective Service Act. The Selective Service Act of 1918, known as the **Man Power Act,** was signed by the President on August 31 (see *infra*, p. 75), and on the same day a proclamation designating September 12 as the day of registration was issued. The registration was accomplished by 5,000 local boards. General Crowder announced that the first draft would be held early in October and that a few weeks later the first 250,000 or 300,000 men would be called to cantonments. Under the new draft enlarged opportunities for exemptions were allowed. It was proposed to have 4,000,000 men in France on July 1, 1919 with an additional 1,000,000 in training in the United States.—After the Man Power Act had fixed the age limits for military service from 18 to 45 years, the Committee on Education and Special Training in the War Department established in colleges and universities units of a **Students' Army Training Corps.** More than 500 institutions of higher education were transformed into officers' training schools. The purpose of the S. A. T. C. was to utilize the executive and teaching personnel and the physical equipment of educational institutions to assist in the training of officer candidates and technical experts needed in the service. Upon entering the corps these students became members of the United States Army, supported by the government and subject to military discipline. The War Department planned to assign the students after a period of training to officers' training camps, technical schools or regular army cantonments as privates on the basis of the records made in the S. A. T. C. One course, that on the "Issues of the War", was prescribed for all students. The S. A. T. C. was in

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existence only from October 1 to December 26. After the armistice was signed interest in the project suffered a rapid decline. The order for demobilization came on November 26, and by the beginning of the new year the colleges were again upon a pre-war basis. The S. A. T. C. numbered approximately 150,000 men, including those in the naval units. On November 1 there were also 46,000 candidates in other officers' training schools.—Obviously the task of equipping and supplying an army of millions of men, the majority of them on the other side of the Atlantic, presented formidable obstacles. The personnel of the **Quarter-Master General's Corps** increased from 1,124 commissioned officers, 8,446 enlisted men and 20,500 civilian employees, in June, 1917, to 11,256 commissioned officers, 200,354 enlisted men and 84,435 civilian employees on October 15, 1918. The **movement of supplies** sent to France increased from 16,000 tons in June, 1917, to 750,000 tons in October, 1918. From our entrance into the war to the signing of the armistice the army shipped to France 5,153,000 tons of cargo, all but 5 per cent. of which was carried in United States vessels. Only 79,000 tons were lost at sea. Included in this immense cargo shipment were 1,145 consolidated locomotives of the 100-ton type, 17,000 standard gauge freight cars, 34,400 motor trucks (10,000 a month when fighting ended) and 423,000 tons of rails and fittings. In addition to the supplies sent from the United States, General Pershing purchased large quantities from European countries.—To provide the **tonnage** required to transport the American army and its supplies was difficult because of the general shortage of ships. In June, 1917, there were in the American service 7 troop ships with a deadweight of 46,000 tons and 6 cargo ships of 48,000 tons. On November 1, 1918, this fleet had been increased to 39 troop-ships of 309,198 tons, 38 animal transports of 372,011 tons, 18 refrigerator ships of 92,542 tons, 4 tankers of 31,271 tons and 228 cargo ships of 1,807,336 tons. Besides these ships General Pershing had gathered a cross-channel fleet of 104 vessels aggregating 311,087 tons. Thus when the war ceased the army had in service a fleet of 431 ships, totaling 3,004,445 deadweight tons. With the allied vessels assigned to the United States Army added, the total tonnage aggregated 3,800,000 deadweight tons, twice as much as the entire American merchant marine engaged in foreign trade at the beginning of the war.—Apart from our own ship construction (see *infra*, p. 18), important factors in building up this fleet were: the taking over of German vessels in United States ports (460,000 tons); the taking over of Dutch steamers (see last RECORD, p. 27) in the spring of 1918 (300,000 tons); and the chartering of Scandinavian and Japanese vessels during 1918. Also, by its drastic restrictions upon non-essential imports, the War Trade Board (see *infra*, p. 20; also last RECORD, p. 24) released for military transportation much valuable tonnage sorely needed in the last months of the war. During the period

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of hostilities there were lost by the army only 200,000 deadweight tons of transports. Torpedoes caused the loss of 142,000 tons. Not a single American troop transport was lost on its eastward voyage.—After the appointment of Charles M. Schwab in April, 1918, as Director of the **Emergency Fleet Corporation** (see last RECORD, p. 23) the government's shipbuilding program was pushed forward with energy. In June the Corporation reported a construction program calling for the building of almost 2,000 vessels with a deadweight tonnage of 13,000,000. The largest shipbuilding projects were undertaken by the American International Shipbuilding Corporation at Hog Island, Pennsylvania, with 50 ways, the Submarine Boat Corporation on Newark Meadows, New Jersey, with 28 ways and the Merchant Shipbuilding Corporation at Bristol, Pennsylvania, with 17 ways. All three of these proved disappointing as far as production for 1918 was concerned. The Hog Island shipyard, though its estimated cost had been trebled, had not delivered a single completed vessel when the armistice was signed. It delivered its first product, the *Quistconck*, on December 3, 1918. Work at the shipyard has continued unabated since the close of the war. In June, 1919, the employees numbered 29,000 and the weekly payroll was $800,000. Although some of these larger projects failed to reach a production basis in time to aid in the war, the output of shipping during 1918 was exceedingly large, about 3,500,000 tons having been placed in commission. In September, 1918, 386,000 men were employed in American shipyards; in July, 1916, there had been only 50,000. From November, 1916, to the end of 1918 the number of shipyards increased from 66 to 200, thus placing the United States ahead of all other nations in shipbuilding. In August, 1914, the total number of American seagoing merchant vessels was 1,494 of 2,706,317 gross tons, while on November 11, 1918, the number was 2,113 vessels of 5,515,180 gross tons, exclusive of 88 enemy vessels of 562,000 gross tons. The Fleet Corporation, however, did not concern itself only with the production of shipping alone. Under authority of law enemy ships were transferred to it and many ships under private construction were requisitioned, and a large number of vessels were transferred from the Great Lakes to the Atlantic. The question of what should be done with the ships owned by the United States government has received considerable attention since the termination of hostilities. On June 12 Chairman Hurley of the United States Shipping Board recommended to Congress that the United States stop building and operating ships on its own account and sell them to private owners on easy terms. He proposed that no ships other than those contracted for should be built by the Fleet Corporation, except, perhaps, certain types to round out the fleet. A large number of ships have been sold by the government. —The **output of munitions** increased enormously. When the armistice was signed there had been made and accepted: 2,137,025 Enfield rifles,

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39,546 heavy Browning and 47,019 light Browning machine guns and 10,634 field pieces. There were also complete or in the process of manufacture over 60,000,000 rounds of artillery ammunition.—In July following the declaration of war the United States entered upon an ambitious program of **airplane production** (see last RECORD, p. 23). In this phase of war activity the government met with the least apparent success and consequently the most violent criticism. The chief causes of delay seem to have been the difficulty of establishing a responsible organization and of meeting the changing recommendations of the authorities in France relative to the changing needs of the service. However, after the administrative reorganization made in the summer of 1918 (see last RECORD, p. 23), progress in the production of airplanes was more satisfactory. On August 28 John D. Ryan, Director of Aircraft Production, was appointed Second Assistant Secretary of War and placed in charge of the Bureaus of Aircraft Production and of Military Aeronautics. The Senate sub-committee for investigating aircraft production in the United States filed its report on August 23. Nothing in the way of graft or personal dishonesty was disclosed but it was shown that fulfilment had lagged far behind promise and it was alleged that a considerable portion of the $640,000,000 appropriated for this arm of the service had been wasted. There was a strong recommendation that the whole matter of production be centralized under one head. In May, President Wilson had requested Charles Evans Hughes to investigate the charges of dishonesty brought against the aircraft branch of the service. **Mr. Hughes' report,** delivered to the President late in October, contained a far more encouraging account of the accomplishments in aircraft production than did the Senate committee report. Instead of placing the waste at hundreds of millions, the Hughes report placed it at $20,500,000, part of which might be salvaged. Moreover, this large waste which occurred in the early days of the war was accounted for because of inexperience and divided counsels. Production of airplane engines began within four months after war was declared. In August, 1917, the number completed was 139. This had increased to 595 in December, 3,151 in July, 1918, 3,625 in August, and 5,297 in October. The total produced from July, 1917 to November, 1918 was 31,813, almost one-half of which were **Liberty motors.** When the war closed there were 6,528 men in training as aviators and 2,154 as aviators' mechanics. Late in July, 1918, the first squadron of American aviators equipped with American planes and engines reached the front, the first squadrons composed of American personnel and equipped with French planes having appeared early in 1918. On September 30 there were 32 squadrons at the front, 15 pursuit, 13 observation, and 4 bombing. The reported battle fatalities up to October 24 were 128, the accident fatalities overseas, 244, and in the training fields

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in the United States, *262*. When the United States entered the war the entire personnel of the Air Service consisted of 65 officers and 1,120 men. On November 11 this number had grown to more than 190,000, or over 5 per cent. of the number of men in the army. — For settling labor disputes in the shipbuilding industry, the **Shipbuilding Labor Adjustment Board** was created. Through it a number of threatening labor disputes were settled and many others prevented. — The functions of the **War Industries Board** (see last RECORD, p. 24), of which Mr. Bernard M. Baruch was chairman, were: to act as a centralized agency for the determination of the governmental and public purchasing program; to organize the nation's industrial resources so as to meet these requirements; to establish priorities in the production, delivery and use of materials and supplies; to fix the prices thereof if deemed desirable; to eliminate waste in industry; and to have general charge of purchasing for the Allies. In order to direct the entire resources of the nation into channels helpful to the winning of the war, the Board placed severe restrictions upon numerous industries through the standardization of styles and the elimination of non-essential products. Almost 200 industries were scrutinized. The Board passed out of existence on January 1, 1919, its business having been transferred by order of the President, under authority of the Overman Act, to the War Trade Board and the United States Department of Commerce.—The **War Trade Board**, created for the purpose of establishing a rigid control over foreign trade (see last RECORD, p. 24), controlled exports, imports and trading with the enemy. On August 20, 1918, it was reorganized so as to include representatives of the Secretary of State, Secretary of the Treasury, Secretary of Agriculture, Secretary of Commerce, the Food Administration, the United States Shipping Board and the War Industries Board. Vance C. McCormick continued to act as its chairman. Executive orders issued during 1917 and 1918 placed practically the entire exporting and importing business of the United States under the licensing system of the Trade Board. The Bureau of Enemy Trade sought not only to prevent commodities from reaching the enemy but also to destroy enemy trade throughout the world. "Enemy Trading Lists", including the names of firms of enemy character and those having commercial relations with the enemy, were published from time to time as a guide to American citizens. The bureau also issued special licenses to "enemies" and "enemy allies" doing business in the United States, and negotiated a number of commercial agreements with neutral countries, so situated as to be able to trade with Germany in spite of the allied blockade (see *infra*, p. 70). Since the close of hostilities restrictions upon commerce have been materially lessened by successive modifications of the licensing system. On February 15 the Supreme Economic Council at Paris authorized the resumption of

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United States trade with Turkey and Bulgaria, and on July 12 the blockade against Germany was lifted, blanket licenses for trading in numerous commodities being issued. The chairman of the War Trade Board represents the Board upon this council. Since January 1 the functions of the Division of Planning and Statistics and of the Price Fixing Division, formerly exercised by the War Industries Board, have been performed by the War Trade Board.—An important feature of the Trading with the Enemy Act of October 6, 1917, was the provision for taking over enemy property within the United States to prevent its use by the enemy during the period of the war. The President appointed as **Alien Property Custodian** A. Mitchell Palmer, who served in that capacity until March 4, 1919 (see last RECORD, p. 24, and *infra*, p. 73), when he was succeeded by Francis P. Garvin. The operations of this office assumed enormous proportions, the value of enemy property taken over amounting to approximately $700,000,000. The influence of Germany in American industry and commerce has been practically eliminated, for many of her most valuable properties have been sold by the Property Custodian. Thus on May 3 the United States government purchased three Hoboken piers belonging to the Hamburg-American steamship company for approximately $2,500,000. The final disposition of the enemy property sequestered remains to be determined by Congress.—The **Committee on Public Information** (see last RECORD, p. 24) continued to serve as a censorship board for publications within the United States and as a channel of communication between the government and the public. In its former capacity it issued to the press a statement setting forth the kind of information the government did not wish published and the rules to be followed in giving information of a military character. The regulations issued were not legally binding but were followed by the press from patriotic motives. On November 14, Mr. Creel, chairman of the Board, announced the withdrawal of this volunteer censorship. As an agent of publicity the work of the committee was varied. It published daily an *Official Bulletin* which gave not only information regarding the military operations of the government but of the purely civil operations as well; it prepared and circulated a large number of War Information pamphlets; it directed over 50,000 "Four Minute Men" who volunteered to speak to moving-picture audiences and coördinated the work of a number of national speakers' bureaus; it issued permits for taking photographs of government works; it made and distributed films to inform the public regarding war activities; through the Division of Foreign Language Newspapers it read and gave publicity to such information appearing in German and Swiss newspapers as it deemed desirable and furnished editorial and news matter to foreign-language papers in the United States; it mobilized artists for the production of posters and other means of arousing

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public enthusiasm for the war; and it conducted propaganda for the purpose of informing the enemy and neutral peoples of America's aims in the war.—**The Censorship Board** (see last RECORD, p. 24) controlled all communication by mail, cable, radio or vessel between foreign countries and the United States. The cable censorship terminated on July 23.—**The United States Food Administration** (see last RECORD, p. 26), continued its work under the direction of Herbert Hoover. The need for the conservation of food did not end with the winning of the war; indeed, one of the greatest needs after the signing of the armistice was that of supplying food to the millions in war-stricken areas. The first duty of the Food Administration was to aid the Department of Agriculture in stimulating the production of foodstuffs. That it succeeded in this respect is amply shown by statistics. For example, the 1918 wheat crop of the United States was about 917,100,000 bushels, the second largest in the country's history and 108,000,000 bushels above the five-year average. In 1918 there was winter wheat on 42,301,000 acres; and over 49,000,000 acres were seeded for the 1919 crop. By the middle of July the estimate of the Department of Agriculture was placed at 1,000,000,000 bushels. The increase in the exportation of foodstuffs was enormous. This was made possible only by strict economy in the consumption of food products and the promotion of such economy was the chief purpose of the Food Administration. In accomplishing this purpose various means were employed. A vast amount of literature relative to food conservation was distributed. Millers were required to use a larger part of the wheat grain in making flour than had been customary. Bakers were required to use certain percentages of substitutes, such as rye flour, potato meal and rice flour, in their products, and finally a modified rationing system was introduced by the limitation placed upon the quantity of wheat, flour and sugar that merchants were allowed to sell to individual customers. To prevent the prices of scarce articles from being raised unduly the Food Administration entered upon a **licensing system** which finally included most dealers in foodstuffs. Under this scheme the profits of dealers were regulated. During the war it was deemed so imperative that large wheat crops be produced that Congress conferred upon the President authority to guarantee a definite price of wheat to growers. By the President's proclamation of September 2, the basic price of $2.20 per bushel was continued for the 1919 harvest. Under the bill passed during the closing days of the Sixty-fifth Congress (see *infra*, p. 79) the government assumed the obligation to pay the difference between the guaranteed price and the market price. The Food Administration in addition to its other activities served as the agent of the government for the purchase of wheat and flour for the army and the navy and for the allied nations. In July, 1918, the operations of the Food Admin-

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istration Grain Corporation were extended to the purchase, storage and sale of all kinds of cereals. In September, Mr. Hoover stated that the Food Administration would have to send abroad 17,550,000 tons of meats, fats, breadstuffs, sugar and feed grains during the year ending July 1, 1919—5730,000 tons more than had been sent during the preceding year. On November 9 the President directed Mr. Hoover to go to Europe as representative of the United States in the organization of food relief. Mr. Hoover retained the title of Food Administrator and the work in the United States was left to an executive committee acting in close touch with the work abroad. Relief work furnished food to the populations of devastated portions of Europe, enemy as well as allied, and left enough food in the liberated countries of Europe to last until the coming harvest.—**The United States Fuel Administration** (see last RECORD, p. 25) continued its work of stimulating the production and conserving the supply of fuels, chiefly coal. No such drastic orders as those issued early in 1918 were resorted to, but every means short of shutting down manufacturing plants was employed. Harry A. Garfield continued to act as Fuel Administrator. To increase production it was necessary to avoid labor troubles; hence in August the Fuel Administration, the mine operators and their employees came to an agreement for settling such labor disputes as might arise. Production of coal was proceeding much more rapidly in the late summer of 1918 than ever before, yet the needs of industry were so great that on August 12 President Wilson, in his declaration to the miners, spoke of the existing scarcity of coal as the most serious danger confronting the country. In October the Fuel Administrator issued an order assigning to each mine a weekly output based upon its past performance and declared that the weekly bituminous production until spring would have to average 12,234,000 tons and the anthracite production, 2,030,000 tons. Lightless nights were again resorted to; heating experts issued directions for the saving of fuel; fuel inspectors made reports on the observance of these directions; the zone system for coal deliveries was continued; and the fuel supply for "non-essential" industries was curtailed. At the time of the armistice the government had practically assumed complete control of the production, distribution and consumption of fuel. After the signing of the armistice many regulations were naturally relaxed. — The railroads continue to be operated by the **United States Railroad Administration** under the act of March 21, 1918 (see last RECORD, p. 33). Secretary McAdoo served as Director General until January 13, 1919, when he was succeeded by Mr. Walker D. Hines, who had served over a year as Mr. McAdoo's assistant. During the war, government operation was generally conceded to be necessary; as soon as the armistice was signed, however, a permanent railroad policy was widely demanded. In his annual message of Decem-

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ber President Wilson shifted to Congress the burden of determining the railroad policy. Early in January the Senate Committee on Interstate Commerce began hearings on the railroad problem. One of the most widely discussed proposals presented was that of Director General McAdoo, who opposed government ownership but advocated the extension of federal control for a period of five years to test such control during peace times, suggesting that such an extension would keep the issue out of the 1920 campaign and thus allow a more deliberate judgment on the merits of federal control. This proposal did not meet with much favor, being considered as a step toward permanent government ownership and operation. — On January 9, the Association of Railway Executives presented to the Senate committee proposals calling for the private ownership, management and operations of the railroads, under strict federal regulation. A secretary of transportation with a seat in the President's cabinet was suggested. Strikes and lockouts were to be forbidden and labor disputes settled by the government. — The members of the Interstate Commerce Commission, with one exception, opposed the five-year plan and suggested that the roads be returned to private control after "a reasonable period of readjustment" and with adequate provisions for regulations.—Early in February Director General Hines, before the Senate committee, opposed government ownership but endorsed the five-year extension plan. He advocated a radically modified private ownership with strict governmental regulation, an important feature of his plan being the proposal for government representation on boards of directors.—Another proposal came from the brotherhoods of railroad employees. It recommended government ownership of the roads and their operation by a corporation, one-third of whose directors should be elected by the employees, one-third by the operating managers, and one-third appointed by the President of the United States. Under this plan working capital would be supplied by the government, "operating ability" by the corporation. All the revenues of the roads would be handled by the corporation, which would pay all expenses including wages, amounting now to a total of over 2½ billions yearly. Out of the net income the government would receive its rental. A surplus of revenue above 5 per cent. would be divided between the government and the employees; but a deficit would be made up through taxation. The Interstate Commerce Commission would retain all its powers, and wage boards would be created to settle wage disputes whose deadlocks would be opened by decision of the Board of Directors.—Railroad security holders recommended private ownership and a government guarantee of 6 per cent. on the invested capital. One-third of all profits beyond this amount were to go to the employees; another third for improvements; and the last third to the roads as a reward for efficiency.—Senator Albert B.

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Cummins, chairman of the Senate Committee on Interstate Commerce, has advocated as the solution of the difficult rate problem a series of consolidations which would merge the weak roads with the strong ones so that the resulting systems, from 18 to 20, might do business upon substantially equal terms. — The failure of the Sixty-fifth Congress to pass the third deficiency bill, containing an appropriation of $750,000,000 for the railroads, greatly hampered the Administration (see *infra*, p. 78), but the Director-General worked out a plan with prominent banking interests and the War Finance Corporation for borrowing such amounts as enabled the railroads to continue operations until the bill was passed during the following session of Congress (see *infra*, p. 85). The standard return for the year was given as $890,335,685, and the net income as $688,200,083, thus leaving a deficit for 1918 of over $200,000,000. During the year the operating revenue increased 21.4 per cent., the operating expenses 40.3 per cent. This great increase in expenses was due largely to substantial wage increases amounting to the enormous total of $583,000,000 and to war conditions. In the first quarter of 1919 the financial condition of the railroads became even more unsatisfactory. A deficit of $192,000,000 was accumulated. The roads took in 37 per cent. more revenue than the average for the three years preceding, but their operating expenses increased 81 per cent. Congress has as yet decided upon no definite railroad policy.—On August 1, by virtue of authority granted by Congress, the President assumed control, though the Post-Office Department, of the **telegraph and telephone systems,** and on November 16, of the **marine cable systems.** Coming as it did after the signing of the armistice, this cable "seizure" aroused considerable criticism. It was said to be necessary because of the jealousy and lack of co-operation between the cable companies and because of the pressing need of direct, certain and quick communication of diplomatic messages. On May 2 the Postmaster General returned the marine cables to their owners and on June 5 he announced the return of the "control of operations" of the other wire systems. On June 18 Congress voted to return the telegraph and telephone systems to private control. This was done on August 1.—During the war the prevention of labor disputes came to be one of the most important activities of the government. Numerous boards were established for this purpose, the most important of which was the **War Labor Board** created April 8, 1918. Their success is indicated by the fact that no strikes or lockouts occurred which seriously interfered with war production. Up to June, 1919, over 1,200 cases were submitted to the War Labor Board. In not every case was a decision rendered; some were settled by agreement of the parties, others dropped and still others referred to other labor agencies. But more than 500,000 employees were involved in the settlements made by the Board, and wage increases amounting to

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approximately $250,000,000 per annum were awarded. The most conspicuous result of the Board's activities was the extension of collective bargaining. Though it did not have authority to enforce its findings, the power of the President to commandeer factories and to withdraw draft immunity from striking employees, powers which were actually exercised in a few cases, added to the pressure of public opinion, made its decisions practically binding. By a decision not to intervene in further disputes unless invited to do so by both employers and employees, made in December, the board recognized that its power was waning. The failure of Congress to provide funds for the continuance of its work caused a gradual curtailment in its activities.—An organization known as the **War Labor Policies Board** was established in June, 1918, with Felix Frankfurter as chairman, and with representatives of those branches of the government which were large employers of labor, as members. This Board had no administrative functions but was free to consider questions of labor policy to be followed by the War Labor Board and other labor agencies. It concerned itself chiefly with the difficult subject of the standardization of wages and hours, made so important because of the excessive turnover of labor. The armistice cut short an ambitious program of wage-fixing.—Upon the recommendation of this Board the President issued a statement to employers engaged in war work requesting that after August 1 labor be recruited through the **United States Employment Service** of the Department of Labor. From January, 1918, to the signing of the armistice this Service placed 2,400,000 men and women in war work of various kinds. From that time until March 22, 1919, when the organization was cut to 20 per cent. of its former size, on account of the failure of Congress to make financial provision for its continuance, it placed in employment returning soldiers and war workers at the rate of about 100,000 a week. On June 28 the Senate added an amendment to the Sundry Civil Appropriation Bill granting $400,000 for the continuance of the United States Employment Service.—The **Bureau of Industrial Housing and Transportation** in the Department of Labor administered the Housing Act.—An undertaking of far-reaching importance has been the furnishing of **educational opportunities** for members of the A. E. F. in France awaiting their return home. The educational plan, which was placed under the immediate supervision of General Rees, coöperating with the Y. M. C. A. Educational Commission, was comprehensive and aimed to enable the American soldier to return to his work at home more proficient than before he entered the army. The work was divided into academic, higher collegiate and vocational, elementary work being carried on in the army camps under the supervision of the Y. M. C. A. educational director. Through the cooperation of the French Ministry of Education European universities were thrown open, and many

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thousands of advanced students took advantage of the opportunities offered. Those deficient in French were sent to the universities of Great Britain. On April 29 there were almost 6,000 American students in French universities. — The compensation and insurance for soldiers and sailors and the allowances to their dependents (see last RECORD, p. 31) developed to enormous proportions. In November almost $37,000,000,000 of voluntary life insurance had been taken out by 4,000,000 men, the average policy being about $9,000. The **War Risk Insurance Bureau** in the Treasury Department had 13,000 employees and was mailing about one million checks monthly to soldiers' dependents. Since the signing of the armistice the government has strongly urged the men to keep up this voluntary government life insurance. The War Risk Bureau has recently been reorganized.—The **demobilization** of the American army began shortly after the armistice was signed and proceeded with remarkable rapidity. Out of almost 4,000,000 men under arms on November 11 less than 1,000,000 remained in the service at the end of June. On July 19 the War Department's figures showed that 2,946,804 officers and men had been discharged and almost 1,800,000 had sailed from France—358,315 during the month of June. The estimated strength of the army as of July 14 was: Europe, 282,000; United States, 372,000; Siberia, 8,500; insular possessions, 28,000; at sea, *en route* to United States, 91,000; total, 782,000. On June 27 Congress fixed the average size of the 1920 army at 325,000 men (see *infra*, p. 85). — The policy of the United States in **financing the war** included bond issues and extremely heavy taxation (see *infra*, p. 77). The **Fourth Liberty Loan** drive was opened by President Wilson on September 27, and the campaign ended on October 20 with the $6,000,000,000 asked for oversubscribed. The bonds, which mature October 15, 1938, bear 4¼ per cent. interest. On April 13 Secretary Glass announced the terms of the Fifth or **Victory Loan.** The sum asked for was $4,500,000,000. This loan took the form of four-year notes, which may at the option of the government be paid in three years, bearing 4¾ per cent. interest, free of state, local and normal federal taxes. The campaign began on April 21 and closed on May 10, with the amount asked for greatly oversubscribed in practically every district of the country. Treasury officials stated that over fifteen million people had subscribed. In a public letter dated July 8, Secretary Glass announced that he did not intend to float another popular liberty loan. He thought that the expenses of the government could henceforth be met by the flotation of short-term notes to financial institutions at 4½ per cent. interest provided taxes were not curtailed and strict economy was practiced. He placed the **total wartime expenditures** of the government at $32,427,469,054, of which $30,177,000,000 was chargeable directly to the war. This total, however, included $9,102,000,000 of loans to the Allies. The **total**

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revenues of the government from April 6, 1917, to June 31, 1919, amounted to $9,384,278,708, not including two unpaid instalments of the income and excess-profits taxes for the fiscal year ending June 30, 1919.

II. PEACE MANŒUVERS AND ARMISTICES

Throughout the year 1918 recurrent attempts were made to redefine the issues of the war and thus come to some understanding relative to the terms upon which peace negotiations might be conducted. In January President Wilson in an address to Congress had laid down his famous Fourteen Points (see last RECORD, p. 15) which later became the basis of peace negotiations. On July 4 he redefined the Allies' war aims in his Mount Vernon address (see last RECORD, p. 19). — Military events during July and August (see *supra*, p. 1 *et seq.*) provoked a new "peace offensive" from the enemy. On September 10 Baron **Burian** indicated his belief that a calm exchange of views among the belligerents might pave the way to a reconciliation; and on September 15 the Austro-Hungarian government suggested a confidential peace parley and proposed to the governments of all belligerent states that they send delegates to "a confidential and unbinding discussion on the basic principles for the conclusion of peace, in a place in a neutral country. . . ." This proposal met with slight consideration from the Allies. President Wilson replied that the United States would "entertain no proposal for a conference upon a matter concerning which it has made its position and purpose so plain". The failure of the Austrian proposals created profound discontent and revolutionary agitation throughout the central empires which no patriotic appeals of the Kaiser or his military chieftains could allay. —On the evening of September 27 President Wilson, in his **Metropolitan Opera House speech,** stated that no peace could be obtained by any kind of bargain or compromise with the governments of the Central Empires because "they are without honor and do not intend justice", because they "observe no covenants, accept no principle but force and their own interest" and because "we do not think the same thought or speak the same language of agreement." He expressed his conviction that a secure and lasting peace could be accomplished only by means of a league of nations whose constitution was a part of the peace settlement itself. To make still clearer his conception of the government's interpretation of its duty in regard to peace the President laid down the following program: (1) Impartial justice must be a justice that plays no favorites and knows no standard but the equal rights of the several peoples concerned; (2) no special or separate interest of any single nation or any group of nations can be made the basis of any part of the settlement which is not consistent with the common interest of all; (3) there can be no

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leagues or alliances or special covenants and understandings within the general and common family of the League of Nations; (4) there can be no special, selfish economic combinations within the League and no employment of any form of economic boycott or exclusion except as the power of economic penalty by exclusion from the markets of the world may be vested in the League of Nations itself; (5) all international agreements and treaties of every kind must be made known in their entirety to the rest of the world.—On the very day that the President's speech was delivered the first break in the ranks of the Quadruple Alliance occurred—the **surrender of Bulgaria** (see *supra*, p. 11). The armistice went into effect at noon of September 30, the terms having in the meantime been approved by the Entente governments. These terms required Bulgaria to evacuate all the territory she had occupied in Serbia and Greece; to demobilize her army (except a few divisions); to surrender to the Allies all means of transport; to surrender her boats and the control of navigation on the Danube as well as to concede to the Allies free passage through her territory for military operations; to store under allied control all her arms and ammunition; and to concede to the Allies the right to occupy all important strategic points. It was agreed that the military occupation of Bulgaria should be entrusted to British, French and Italian forces and the evacuated portions of Greece and Serbia, respectively, to Greek and Serbian forces. — One of the first acts of Prince Maximilian of Baden, the new German Chancellor (see *infra*, p. 1 *et seq.*), was to make another attempt in conjunction with his remaining allies to secure a negotiated peace, hastened no doubt by the continued reverses of German arms in France and Belgium (see *supra*, p. 1 *et seq.*). On October 4-5 the **German peace proposal** was sent to Washington. Germany requested the President to invite all belligerents to send plenipotentiaries for the purpose of opening negotiations. It signified its willingness to accept as a basis of negotiations the program set forth by President Wilson in his message to Congress on January 8 (see last RECORD, p. 15) and in his later pronouncements, especially his speech of September 27. In order "to avoid further bloodshed" the German government also requested the immediate conclusion of an armistice on land and water and in the air. The new Chancellor on the following day, in outlining his peace policy before the Reichstag, announced that he had made another peace move "not only for the salvation of Germany and its allies, but of all humanity, which has been suffering for years through the war". He added, "I have taken it also because I believe the thoughts regarding the future well-being of the nation which were proclaimed by Mr. Wilson are in accord with the general ideas cherished by the new German government, and with it the overwhelming majority of our people." Prince Maximilian considered that the solution of the Belgian question involved

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the complete rehabilitation of Belgium, particularly the restoration of its independence and territorial integrity, and significantly intimated that an effort to come to an understanding on the question of indemnity should also be made. Nor should previously negotiated treaties be allowed to prevent the conclusion of a general peace.—**President Wilson replied** to the German Chancellor's note on October 8. However, instead of making a direct response to the German proposal he questioned the German government respecting the exact meaning of its note. He asked whether the Chancellor meant that the German government accepted the terms laid down by the President in his address of January 8 and in subsequent addresses and proposed merely to negotiate "upon the practical details of their application", and whether the Chancellor was speaking "merely for the constituted authorities of the empire who have so far conducted the war". In answer to the proposal for an armistice, he replied that he "would not feel at liberty to propose a cessation of arms to the Governments with which the Government of the United States is associated against the Central Powers so long as the armies of those powers are upon their soil" and declared that "the good faith of any discussion would manifestly depend upon the consent of the Central Powers immediately to withdraw their forces everywhere from invaded territory." This reply met with considerable criticism in the United States from those who demanded a "dictated peace". In England and France the reply was generally regarded as a shrewd diplomatic move.—On October 12 the **German government replied** to the President's note to the effect that its object in entering into discussion was only for the purpose of agreeing upon the practical details of the application of the terms accepted; that the present German Chancellor spoke in the name of the German government and of the German people; and that the German government, in accordance with that of Austria-Hungary, was ready to comply with the President's proposition in regard to the evacuation of invaded territory, for the carrying out of which it suggested that the President bring about a meeting of a mixed commission to make the necessary arrangements.—While these negotiations were in progress no change was noticeable in the German methods of warfare. In their forced retreat before the victorious Allies in France, the Germans engaged in wanton devastation and their submarines were still destroying the lives of hundreds of non-combatants. For these illegal practices President Wilson took the Germans severely to task in his **note of October 14.** After saying that the unequalified acceptance by the German government and the Reichstag of the terms laid down in his addresses justified him in making a frank and direct statement with regard to the communications of October 8 and 12, he informed the German government that the evacuation and the armistice were

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matters that must be left to the judgment of the military leaders of the Allies, that no arrangement which failed to "provide absolutely satisfactory safeguards and guarantees of the maintenance of the present military supremacy of the Allies in the field" could be accepted by the United States, that no armistice would be considered while the armed forces of Germany "continue the illegal and unhuman practices which they persist in" and that the terms already accepted by Germany included a statement calling for the destruction or the reduction to impotency of "every arbitrary power anywhere that can separately, secretly, and of its single choice disturb the peace of the world". He concluded: "The power which has hitherto controlled the German Nation is of the sort here described." This reply received general approval in the allied countries. Even the critics of former messages expressed satisfaction at the President's latest move. In Germany it dampened considerably the enthusiasm of those who thought peace practically attained and aroused others to angry comments.—On October 7 the government of **Austria-Hungary** had also addressed a communication to the President, offering to conclude an armistice and to enter into peace negotiations on the basis of the terms laid down by him in his addresses. — In his **note of October 19** the President replied that he could not entertain the Austrian suggestion because of important changes that had occurred since January 8, when he had demanded "the freest opportunity of autonomous development" for the peoples of Austria-Hungary—changes involving the recognition by the United States of the state of belligerency between the Czechoslovaks and the German and Austro-Hungarian Empires, of the Czechoslovak National Council as a *de facto* belligerent government and of the "nationalistic aspirations of the Jugoslavs". For these reasons the President considered himself no longer at liberty to accept the "mere autonomy" of these peoples as a basis of peace but felt obliged to insist that they rather than he must be the judges of what action might be necessary to satisfy their national aspirations.—The **third German note** was dated October 20. It stated that in accepting the proposal for the evacuation of occupied territories the German government had acted on the assumption that the procedure of the evacuation and the conditions of an armistice would be left to military advisors who would safeguard the relative power of the several parties and suggested that the President bring about an opportunity for fixing the details. The note expressed the hope that the President would not approve of any demands not consistent with the honor of the German people, protested against the reproach of illegal and inhumane actions made against the German army and navy, suggested that all these complaints be laid before neutral commissions, and stated that it had sent orders to all submarine commanders forbidding the torpedoing of

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passenger ships. In reply to that portion of the President's note of October 14 which called for an explicit statement concerning the reforms effected in the German government, the note repeated the substance of Prince Maximilian's address before the Reichstag on October 5. It stated that the government had been formed in complete accordance with the wishes of the overwhelming majority of the German people; that in the future no government could take or continue in office without the confidence of a majority of the Reichstag; that the first act of the new government had been to lay before the Reichstag a proposal to alter the constitution of the empire so as to require the consent of the representatives of the people for decisions on the question of war and peace; and that the permanence of the new system was guaranteed not only by constitutional safeguards but also by the unshakable determination of the German people.—On October 23 Secretary Lansing sent the **President's answer** to the last German note, stating that the President was ready to take up with the associated governments the question of the armistice but making it clear that he would consider only such an armistice as would enable the Allies to enforce the arrangements they might enter into and would make a renewal of hostilities by Germany impossible. The German government was informed that its correspondence with the American government had been transmitted to the allied powers with the suggestion that if they were disposed to consider peace upon the terms indicated the allied military leaders submit such terms for an armistice as would safeguard fully the interests of the peoples concerned. "Should such terms of armistice be suggested, their acceptance by Germany", said the President, "will afford the best concrete evidence of her unequivocal acceptance of the terms and principles of peace from which the whole action proceeds." These extraordinary safeguards were declared to be necessary because the principle of responsible government had not as yet been either fully worked out or guaranteed as permanent in Germany; because the German people had no means of commanding the acquiescence of the military authorities of the empire in the popular will; because the power of the King of Prussia to control the empire was still unimpaired; and because the determining initiative still remained with the former masters of Germany whose word the nations of the world could not trust. "If the government of the United States", the President concluded, "must deal with the military masters and the monarchial autocrats of Germany, or if it is likely to have to deal with them later in regard to the international obligations of the German Empire, it must demand, not peace negotiations, but surrender." This note as well as the previous one was almost universally approved in London and Paris. In the United States also it met with hearty commendation. It was thoroughly discussed by the German War Cabinet on October 24 and by the Crown

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Council, including both the Kaiser and the Crown Prince, on October 25.—On October 26 General **Ludendorff resigned,** and on the following day the decision of the Council was sent to President Wilson in the form of a brief reply which, after calling attention to the far-reaching changes which the German constitutional structure had undergone and stating that the military as well as the civil powers were subject to the new authority of the people, informed him that the German government was now awaiting proposals for an armistice, "the first step toward a peace of justice, as described by the President in his pronouncements." This reply was almost universally regarded in the allied countries as a definite acceptance of the idea of military surrender. The President's note had stated that the terms of any armistice would necessarily be such as would prevent Germany from renewing the war (see *supra*, p. 32) and this principle Germany had now accepted. The next step would obviously be the formulation of the terms upon which the allied military leaders would be willing to grant the requested armistice.—In the meantime the unity of the Central Powers was still further broken by **Turkey's request for an armistice,** necessitated by British successes in Palestine and Mesopotamia (see *supra*, p. 12). The preliminary Turkish request was transmitted to Vice-Admiral Calthorp, commander of the British fleet in the Aegean, by General Townshend, who had been captured two and a half years before by the Turks at Kut-el-Amara and had recently been liberated to undertake this mission. British plenipotentiaries were sent to Mudros on the Island of Lemnos, and on October 30 the terms dictated by the Allied Council at Versailles were signed by the Turkish representatives to go into effect on the following day. These terms, like those imposed upon Bulgaria a month before, amounted to unconditional surrender. They include: (1) the opening of the Dardanelles and the Bosphorus and allied occupation of the forts; (2) all allied prisoners of war and interned Armenians to be collected in Constantinople and handed over unconditionally to the Allies; (3) immediate demobilization of the Turkish army, except such troops as are required for surveillance on the frontiers and for the maintenance of internal order; (4) the surrender of all war vessels in Turkish waters or waters occupied by Turkey, to be interned in such Turkish port or ports as may be directed; (5) the Allies to have the right to occupy any strategic points in the event of any situation arising which threatens their security; (6) free use by allied ships of all ports and anchorages in Turkish occupation and denial of their use by the enemy; (7) allied occupation of the Taurus Tunnel system; (8) immediate withdrawal of Turkish troops from northern Persia to behind the pre-war frontier; (9) facilities to be given for purchase of coal, oil, fuel and naval material from Turkish sources, after the requirements of the country have been met; no such mate-

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rials to be exported; (10) the surrender of all garrisons in Hedjaz, Assir, Yemen, Syria and Mesopotamia to the nearest allied commander; (11) the use of all ships and repair facilities at all Turkish ports and arsenals; (12) all Germans and Austrians, naval, military or civilian, to be evacuated within one month from Turkish dominions; (13) Turkish prisoners to be kept at the disposal of Allied Powers; (14) Turkey obligated to cease all relations with the Central Powers; (15) in case of disorder in the six Armenian vilayets, the Allies to have the right to occupy any part of them; (16) hostilities between the Allies and Turkey to cease from noon, local time, Thursday, October 31, 1918. The United States had not declared war on Turkey and therefore took no part in determining the armistice terms imposed upon her.—Under the influence of military disaster (see *supra*, p. 10) the Austro-Hungarian government on October 29 sent to President Wilson **another plea for negotiations** for an armistice and peace and agreed "both to the previous declarations of the President and his opinion of the rights of the peoples of Austria-Hungary, notably those of the Czechoslovaks and the Jugoslavs, contained in his last note." Moreover, it declared itself ready to enter upon negotiations without waiting for the outcome of any other negotiations that might be in progress. On the same day Count Julius Andrassy, the new Austro-Hungarian Foreign Minister, sent a **supplementary note** appealing directly to Secretary Lansing, urging him to use his personal influence with the President to secure an immediate armistice on all fronts. These urgent requests for an armistice indicated to the world that the Austro-Hungarian government realized the uselessness of further resistance. The federalization scheme announced by the Austrian Emperor on October 18 had come too late. As soon as the pressure of foreign war ceased the various nationalities within the former empire began to move for independence. The dissolution of the Dual Monarchy was at hand (see *infra*, p. 129). On October 29 the Austrian commander requested the Italian commander to grant an armistice.—The terms of the **armistice,** drawn up at Versailles by the Interallied Conference, were handed to the Austrian representatives on the Italian front on November 1. The government of the rapidly disintegrating empire signed them on November 3, and they went into effect the following afternoon. The terms granted to Austria-Hungary, more severe and far-reaching than those already imposed upon her former allies, Bulgaria and Turkey, include the following: (1) immediate cessation of hostilities by land, by sea and by air; (2) total demobilization of the Austro-Hungarian army and immediate withdrawal of all Austro-Hungarian forces operating on the front from the North Sea to Switzerland; half the divisional, corps and army artillery and equipment to be collected at points to be indicated by the Allies and the United States for delivery to them; (3) evacua-

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tion of all territories invaded by Austria-Hungary since the beginning of the war; withdrawal within periods to be determined by the commander-in-chief of the allied forces on each front of the Austro-Hungarian armies behind a fixed line defined in the armistice; all military and railway equipment of all kinds, including coal belonging to or within those territories to be left *in situ* and surrendered to the Allies; (4) the Allies to have the right of free movement in Austro-Hungarian territory and of the use of the necessary Austrian and Hungarian means of transportation and to occupy such strategic points in Austria-Hungary as they may deem necessary to enable them to conduct military operations or to maintain order; (5) complete evacuation of all German troops within fifteen days, not only from the Italian and Balkan fronts but from all Austro-Hungarian territory; (6) the immediate repatriation without reciprocity of all allied prisoners of war; (7) immediate cessation of all hostilities at sea and definite information to be given as to the location and movements of all Austro-Hungarian ships; notification to be made to neutrals that freedom of navigation in all territorial waters is given to the naval and mercantile marine of the allied and associated powers, all questions of neutrality being waived; (8) surrender to the Allies and the United States of fifteen submarines and of all German submarines which are in or may hereafter enter Austro-Hungarian waters; all other Austro-Hungarian submarines to be completely disarmed and to remain under the supervision of the Allies and the United States; (9) surrender to the Allies and the United States with their complete armament and equipment of three battleships, three light cruisers, nine destroyers, twelve torpedo boats, one mine layer, six Danube monitors, to be designated by the Allies and the United States; all other surface warships, including river craft, are to be concentrated in Austro-Hungarian naval bases to be designated by the Allies and the United States and to be paid off and completely disarmed and placed under the supervision of the Allies and the United States; (10) the existing blockade conditions to remain unchanged; (11) occupation by the Allies and the United States of the land and sea fortifications and the islands which form the defenses and of the dockyards and arsenal at Pola.—The signing of the armistice was followed immediately by the dissolution of the Empire and the abdication of the Emperor (see *infra*, p. 129). — On November 5 the diplomatic correspondence between Germany and the United States, begun just on month before by Prince Maximilian, came to a close when President Wilson sent his **last communication** to the German government announcing that the allied governments had reserved to themselves complete freedom on the subject of the "freedom of the seas" and had explained that they understood by the clause calling for the restoration as well as the evacuation and freeing of invaded territories

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that compensation would be made by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea and from the air; and that Marshal Foch had been authorized by the allied powers to receive properly accredited representatives of the German government and communicate to them the terms of an armistice. After October 31 the Allied Supreme War Council held daily sessions at Versailles to determine upon the terms to be given to Austria and Germany (see *infra*, p. 39).—As soon as the note of November 5 reached the German government the High Command named its plenipotentiaries and requested a meeting with Marshal Foch, which took place on November 8 at his headquarters at Rethondes. After the German credentials had been verified and Mathias Erzberger, president of the mission, had announced its purpose, Foch read the terms decided upon. Erzberger proposed an immediate suspension of hostilities, but this was flatly refused. The Germans were given seventy-two hours within which to sign the armistice. On November 11 at 5 o'clock, a. m., Paris time, the **armistice** was signed. In the meantime Germany was in revolution. A number of states threatened to secede, there was mutiny in the navy, workmen's and soldiers' councils were being set up, and on November 9 Prince Maximilian announced the abdication of the Kaiser. By November 14 a dozen German crowns had fallen (see *infra*, p. 133). The more important provisions of the armistice between Germany and the Allies are as follows: **Military Clauses on the Western Front** — (1) Cessation of operations by land and in the air six hours after the signature of the armistice; (2) immediate evacuation of invaded countries: Belgium, France, Alsace-Lorraine, Luxemburg, so ordered as to be completed within fourteen days from the signature of the armistice. German troops remaining in the above-mentioned territories within the period fixed to become prisoners of war. Occupation by the allied and United States forces jointly to keep pace with evacuation in these areas. All movements of evacuation and occupation to be regulated in accordance with a note annexed to the stated terms; (3) repatriation of all the inhabitants of the countries above enumerated; (4) surrender of 5,000 guns, 25,000 machine guns, 3,000 minenwerfer, 1,700 airplanes; (5) evacuation by the German armies of the countries on the left bank of the Rhine; occupation of these territories by allied and United States garrisons holding the principal crossings of the Rhine (Mayence, Coblenz, Cologne), together with the bridgeheads at these points of a thirty-kilometer radius on the right bank and by garrisons similarly holding the strategic points of the regions; a neutral zone to be reserved on the right bank of the Rhine, ten kilometers in width, extending from the frontier of Holland to the frontier of Switzerland; (6) military establishments of all kinds to be deliv-

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ered intact, as well as military stores of food, munitions and equipment not removed during the time fixed for evacuation; stores of food of all kinds for the civil population, cattle *etc.*, to be left *in situ*. Industrial establishments not to be impaired in any way and their personnel not to be removed; (7) means of communication of every kind to be in no manner impaired; 5,000 locomotives and 150,000 wagons to be delivered to the associated powers, also 5,000 motor lorries; the railways of Alsace-Lorraine to be handed over with pre-war personnel and material; further, the material necessary for the working of railways in the countries on the left bank of the Rhine to be left *in situ*; (8) the upkeep of the troops of occupation in the Rhineland (excluding Alsace-Lorraine) to be charged to the German government; (9) the immediate repatriation without reciprocity of all allied and United States prisoners of war, including persons under trial or convicted. **Disposition Relative to the Eastern Frontiers of Germany**—(10) All German troops at present in the territories which before belonged to Austria-Hungary, Rumania or Turkey, to withdraw immediately within the frontiers of Germany as they existed on August 1, 1914. All German troops at present in the territories which before the war belonged to Russia likewise to withdraw within the frontiers of Germany, defined as above, as soon as the Allies, taking into account the internal situation of these territories, shall decide that the time for this has come; (11) renunciation of the treaties of Bucharest and Brest-Litovsk and of the supplementary treaties; (12) the Allies to have free access to the territories evacuated by the Germans on their eastern frontier, either through Danzig or by the Vistula, in order to convey supplies to the populations of those territories and for the purpose of maintaining order. **Clause concerning East Africa**—(13) Evacuation by all German forces operating in East Africa within a period to be fixed by the Allies. **General Clauses**—(14) The following financial conditions are required: Reparation for damage done; while the armistice lasts no public securities to be removed by the enemy which can serve as a pledge to the Allies for the recovery or reparation for war losses; immediate restitution of the cash deposit in the national bank of Belgium, and in general immediate return of all documents, specie, stocks, shares, paper money, together with plant for the issue thereof, touching public or private interests in the invaded countries; restitution of the Russian and Rumanian gold yielded to Germany or taken by that power, this gold to be delivered in trust to the Allies until the signature of peace. **Naval Conditions**—(15) Immediate cessation of all hostilities at sea and definite information to be given as to the location and movements of all German ships; (16) all naval and mercantile marine prisoners of the allied and associated powers in German hands to be returned without reciprocity; (17) surrender to the

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Allies and the United States of all submarines, with their complete armament and equipment; (18) German surface warships designated by the Allies and the United States to be immediately disarmed and thereafter interned in neutral ports or in default of them in allied ports to be designated by the Allies and the United States. They will there remain under the supervision of the Allies and of the United States, only caretakers being left on board. The following warships are designated by the Allies: six battle cruisers, ten battleships, eight light cruisers (including two mine-layers), fifty destroyers of the most modern types. All other surface warships (including river craft) to be concentrated in German naval bases to be designated by the Allies and the United States and to be completely disarmed and placed under the supervision of the Allies and the United States. The military armament of all ships of the auxiliary fleet to be put on shore. All vessels designated to be interned to be ready to leave the German ports seven days after the signing of the armistice; directions for the voyage to be given by wireless; (19) freedom of access to and from the Baltic to be given to the naval and mercantile marines of the allied and associated powers. To secure this the Allies and the United States of America to be empowered to occupy all German forts, fortifications, batteries, and defense works of all kinds in all the entrances from the Cattegat into the Baltic, and to sweep up all mines and obstructions within and without German territorial waters, without any question of neutrality being raised, the positions of all such mines and obstructions to be indicated; (20) the existing blockade conditions set up by the allied and associated powers to remain unchanged, and all German merchant ships found at sea to remain liable to capture. The Allies and the United States to give consideration to the provisioning of Germany during the armistice to the extent recognized as necessary; (21) all naval aircraft to be concentrated and immobilized in German bases to be specified by the Allies and the United States; (22) all Black Sea ports to be evacuated by Germany; all Russian war vessels of all descriptions seized by Germany in the Black Sea to be handed over to the Allies and the United States; all neutral merchant vessels seized to be released; all war-like and other materials of all kinds seized in those ports to be returned and German materials as specified in Clause 28 to be abandoned; (23) all merchant vessels in German hands belonging to the allied and associated powers to be restored in ports to be specified by the Allies and the United States without reciprocity. **Duration of Armistice**—(24) The duration of the armistice to be thirty days, with option to extend.—In accordance with the terms of the armistice the allied armies moved forward through French and Belgian territory evacuated by the Germans and into Rhenish Prussia, following closely the retreating German army. The bridgehead at

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Cologne was occupied by the British, that at Coblenz by the Americans and that at Mayence by the French (see *supra*, p. 36).

III. THE PEACE CONFERENCE

The Peace Conference began its sessions in Paris on January 18 and at the end of July was still in the midst of its labors. It is universally admitted to be the greatest of international congresses not only because it drafted the treaty that closed the world's most disastrous war but also because of the attempts it made to set up a new international order. The formal opening of the conference had been preceded by daily meetings of the Interallied Supreme War Council, which had directed the efforts of the Allies in the victorious prosecution of the war, and by informal conferences between the President and Secretary of State of the United States, the Prime Ministers and Foreign Ministers of Great Britain, France and Italy and the Japanese ambassadors in Paris and London. At these meetings the preliminary organization of the conference was agreed upon.—The first session of the conference was opened by President Poincaré; at the conclusion of his address M. Clemenceau, French Premier, was unanimously chosen permanent chairman. The regulations adopted relative to **membership** provided that the belligerent powers with general interests — the United States, the British Empire, France, Italy and Japan—should take part in all meetings and commissions; that the belligerent powers with particular interests—Belgium, Brazil, the British Dominions, India, China, Cuba, Greece, Guatemala, Haiti, Hedjaz, Honduras, Liberia, Nicaragua, Panama, Poland, Portugal, Rumania, Serbia, Siam and the Czechoslovak Republic — should take part in sittings devoted to questions concerning them; and that the neutral powers and states in process of formation should be heard either orally or in writing when summoned by the powers with general interests at sittings devoted especially to the examination of questions directly concerning them.—The **representation** of the several powers was finally fixed as follows: United States, British Empire, France, Italy and Japan, five members; Belgium, Brazil and Serbia, three members; China, Greece, Hedjaz, Poland, Portugal, Rumania, Siam, the Czechoslovak Republic, Australia, Canada, South Africa, and India, two members; Cuba, Guatemala, Haiti, Honduras, Liberia, Nicaragua, Panama, Bolivia, Ecuador, Peru, Uruguay and New Zealand, one member.—The **secretariat** was appointed from outside the plenipotentiaries and consisted of one representative of each of the five major powers. — The important decisions of the conference were made by a **Supreme Council** composed of the ranking delegates of the five chief powers. The conference in plenary session acted in the capacity of a formal ratifying body. — The first meetings of the Supreme Council held on January 20-22 were devoted

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to a consideration of the Russian situation and resulted in the abortive conferences at Princes' Island (see *infra*, p. 68). The second plenary session, held on January 25, was marked by the unanimous adoption of a resolution for the creation of a League of Nations. A committee was appointed to draft a constitution for the League, consisting of two representatives of each of the five great powers, and five appointed by the other powers. The ten delegates representing the former were: United States, President Wilson and Colonel House; British Empire, Lord Robert Cecil and Lieut. Gen. J. C. Smuts; France, M. Bourgeois and M. Larnaude; Italy, Signor Orlando and Senator Scialoja; Japan, Viscount Chinda and M. Ochiai. The session adjourned after having passed resolutions for the creation of committees on responsibility for the war, reparation, international labor legislation and regulation of ports, waterways and railways. These committees were constituted in a manner similar to that on the League of Nations. During the next weeks these several committees and the Supreme Council heard the parties interested in the particular matters subject to their jurisdiction. In the consideration of all questions the several delegations availed themselves of the numerous body of experts which the major powers had brought to the conference. Among the questions to which the Supreme Council devoted itself were: the disposition of German colonies, the differences between China and Japan over Kiao-Chau and the Balkan boundary controversies— The **Committee on the League of Nations** held daily sessions beginning February 4. Reports indicate that the chief difficulty arose over the question as to the power of the proposed League to enforce its decrees, the French delegation supporting the proposal that it have power to enforce them by arms and the American and British delegations favoring a more limited form of authority. On February 13 a compromise resulted in the first draft of the constitution of the League, unanimously reported to the conference by President Wilson on February 14 just before his return to the United States. — On February 15 a Supreme Economic Council, an Economic Drafting Commission and a Financial Drafting Commission were created, the first charged with the questions of the distribution of shipping, the blockade, the distribution of raw materials and urgent financial problems, the second with the removal of economic barriers and the establishment of equality of trade conditions among the Allies, and the third with the financial resources of the enemy countries. On these several commissions were some of the ablest men in the financial and business circles of America and Europe.—On March 18, after President Wilson's return to Paris, the Committee on the League of Nations resumed its daily sessions, and two days later the delegates of neutral nations were given an opportunity to express their views on the draft of the Covenant.—In order that more rapid progress

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might be made toward solving the many problems confronting the Conference the consideration of the chief problems in controversy passed on March 24 from the Supreme Council to a **Council of Four** composed of President Wilson and Premiers Lloyd George, Clemenceau and Orlando.—On April 10 President Wilson secured the adoption by the Committee on the League of Nations of a provision stipulating that the Covenant should not affect existing understandings for maintaining peace, such as the Monroe Doctrine, thus seeking to remove one of the strongest objections that had been directed against the Covenant in America.—What was probably the most acute crisis of the conference was precipitated by President Wilson's announcement on April 23 of his opposition to Italy's claims to Fiume. The Italian delegates returned to Rome, where they received an enthusiastic vote of confidence, but returned to Paris on May 6. In conferences held later, Italy made material concessions. During the weeks immediately preceding the presentation of the Treaty of Peace to the German delegates on May 7, the most significant incidents were the reports of the several committees, the granting to Poland of a "corridor" across East Prussia to the Baltic with Danzig as a free city under the League of Nations, the presentation of the revised Covenant of the League, the preliminary organization of the League of Nations with Sir Eric Drummond as Secretary-General, the disposition of the Saar coal fields, the transfer of German concessions at Kiau-Chau to Japan, the disposition of the former German colonies under the mandatory clause of the Covenant and the reception of the German peace delegation.—The official summary of the Treaty of Peace as presented to Germany follows. The text is that printed in the London *Times*, weekly edition, of May 16, 1919.

PREAMBLE.

The Preamble, which recites shortly the origin of the War and the application of the Germans for an Armistice, enumerates the High Contracting Parties, represented by the five Great Powers—the United States of America, the British Empire, France, Italy, and Japan, together with Belgium, Bolivia, Brazil, China, Cuba, Ecuador, Greece, Guatemala, Haiti, the Hedjaz, Honduras, Liberia, Nicaragua, Panama, Peru, Poland, Portugal, Rumania, Serbia, Siam, Czecho-Slovakia, and Uruguay, on the one hand, and Germany on the other. The Plenipotentiaries representing these Powers are enumerated "who, having communicated their full powers found in good and due form, have agreed as follows: From the coming into force of the present Treaty, the state of War will terminate. From that moment, and subject to the provisions of this Treaty, official relations with Germany and with each of the German States will be resumed by the Allied and Associated Powers."

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SECTION I.

LEAGUE OF NATIONS.

The full text was published after the Plenary Sitting, April 28.

Membership.—The Members of the League will be the signatories of the Covenant and other States invited to accede, who must lodge a declaration of accession without reservation within two months. Any State, Dominion, or Colony may be admitted provided its admission is agreed by two-thirds of the Assembly. A State may withdraw upon giving two years' notice, if it has fulfilled all its international obligations.

Secretariat.—A permanent Secretariat will be established at the seat of the League, which will be at Geneva.

Assembly. — The Assembly will consist of representatives of the Members of the League, and will meet at stated intervals. Voting will be by States. Each Member will have one vote and not more than three representatives.

Council. — The Council will consist of representatives of the Five Great Allied Powers, together with representatives of four other Members selected by the Assembly from time to time; it may co-opt additional States and will meet at least once a year. Members not represented will be invited to send a representative when questions affecting their interests are discussed. Voting will be by States. Each State will have one vote and not more than one representative. Decisions taken by the Assembly and Council must be unanimous except in regard to procedure, and in certain cases specified in the Covenant and in the Treaty, where decisions will be by a majority.

Armaments.—The Council will formulate plans for a reduction of armaments for consideration and adoption. These plans will be revised every 10 years. Once they are adopted, no Member must exceed the armaments fixed without the concurrence of the Council. All Members will exchange full information as to armaments and programmes, and a permanent Commission will advise the Council on military and naval questions.

Prevention of War. — Upon any war, or threat of war, the Council will meet to consider what common action shall be taken. Members are pledged to submit matters of dispute to arbitration or inquiry, and not to resort to war until three months after the award. Members agree to carry out an arbitral award, and not to go to war with any party to the dispute which complies with it; if a Member fails to carry out the award, the Council will propose the necessary measures. The Council will formulate plans for the establishment of a Permanent Court of International Justice to determine international disputes or to give advisory opinions. Members who do not submit their cases to arbitration must accept the jurisdiction of the Council or the Assembly. If the Council, less the parties to the dispute, is unanimously agreed upon the rights of it, the Members agree that they will not go to war with any party to the dispute which complies with its recommendations. In this case a recommendation by the Assembly concurred in by all its Members represented on the Council and a simple majority of the rest, less the parties to the dispute, will have the force of a unanimous recommendation by the Council. In either case, if the

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necessary agreement cannot be secured the Members reserve the right to take such action as may be necessary for the maintenance of right and justice. Members resorting to war in disregard of the Covenant will immediately be debarred from all intercourse with other Members. The Council will in such cases consider what military or naval action can be taken by the League collectively for the protection of the Covenants and will afford facilities to Members co-operating in this enterprise.

Validity of Treaties. — All Treaties or international engagements concluded after the institution of the League will be registered with the Secretariat and published. The Assembly may from time to time advise Members to reconsider Treaties which have become inapplicable or involve danger to peace. The Covenant abrogates all obligations between Members inconsistent with its terms, but nothing in it shall affect the validity of international engagements such as Treaties of Arbitration or regional understandings like the Monroe Doctrine for securing the maintenance of Peace.

The Mandatory System. — The tutelage of nations not yet able to stand by themselves will be entrusted to advanced nations who are best fitted to undertake it. The Covenant recognizes three different stages of development requiring different kinds of mandates:

(*a*) Communities like those belonging to the Turkish Empire, which can be provisionally recognized as independent, subject to advice and assistance from a mandatory in whose selection they should be allowed a voice.

(*b*) Communities like those of Central Africa, to be administered by the Mandatory under conditions generally approved by the members of the League, where equal opportunities for trade will be allowed to all members; certain abuses, such as trade in slaves, arms, and liquor will be prohibited, and the construction of military and naval bases and the introduction of compulsory military training will be disallowed.

(*c*) Other communities, such as South-West Africa and the South Pacific Islands, best administered under the laws of the Mandatory as integral portions of its territory.

In every case the Mandatory will render an annual report, and the degree of its authority will be defined.

General International Provisions. — Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the League will in general endeavour, through the international organization established by the Labour Convention, to secure and maintain fair conditions of labour for men, women, and children in their own countries and other countries, and undertake to secure just treatment of the native inhabitants of territories under their control; they will entrust the League with the general supervision over the execution of agreements for the suppression of traffic in women and children, &c., and the control of the trade in arms and ammunition with countries in which control is necessary; they will make provision for freedom of communications and transit and equitable treatment for commerce of all members of the League, with special reference to the necessities of regions devastated during the war; and they will endeavour to take steps for international prevention and control of disease.

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International bureaux and commissions already established will be placed under the League, as will all those to be established in the future.

Amendments to the Covenant.—Amendments to the Covenant will take effect when ratified by the Council and by a majority of the Assembly.

SECTION II.

THE BOUNDARIES OF GERMANY.

The boundaries of Germany are described in two articles, one dealing with Germany proper and the other with East Prussia. The boundary lines between the new State of Poland and Germany and East Prussia respectively, and the new boundary line between East Prussia and Lithuania, which are shown approximately on the attached map, are described in detail in so far as they are not left to be settled by Boundary Commissions on the spot. The boundary with Belgium follows the line described in the later Section dealing with Belgium. The frontier with Luxembourg and with Switzerland is that of August, 1914. The frontier with France is that of the 18th July, 1870, with a reservation regarding the Saar. The frontier with Austria is the same as that of the 3rd August, 1914, up to the point where that of the new State of Tchecho-Slovakia begins. The frontier of Tchecho-Slovakia follows the old frontier between Germany and Austria up to the point where the new State of Poland begins. The boundary between Germany and Denmark and a portion of the boundary between East Prussia and Poland remain to be decided by the result of a plebiscite.

SECTION III.

POLITICAL CLAUSES: EUROPE.

Belgium.

Germany is to consent to the abrogation of the Treaties of 1839 (by which Belgium was established as a neutral State and her frontiers, &c., fixed), and to agree in advance to any Convention with which the Allies may determine to replace them. Germany is to recognize the full sovereignty of Belgium over the contested territory of Moresnet and over part of Prussian Moresnet; and is to renounce in favor of Belgium all rights over Eupen and Malmedy, the inhabitants of which are to be entitled within six months to protest against this change either in whole or in part, the final decision to be reserved to the League of Nations. A Commission is to settle the details of the frontier, and various regulations for individual changes of nationality are laid down. Territories acquired by Belgium will be free of all obligations.

Luxemburg.

Germany renounces her various treaties and conventions with the Grand Duchy of Luxemburg, recognizes that it ceased to be part of the Germany Zollverein from the 1st January last, renounces all rights of exploitation of the railways, adheres to the abrogation of its neutrality, and accepts in advance any international agreement as to it reached by the Allied and Associated Powers.

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The Left Bank of the Rhine.

As subsequently provided in the Military Section, Germany must not maintain or construct any fortifications less than fifty kilometers to the east of the Rhine. In the above area Germany may maintain no armed forces, either permanent or temporary, nor hold any manœuvres, nor maintain any works for facilitating mobilization. If the provisions of this Article are violated, she shall be regarded as committing a hostile act against the signatories of the Treaty, and as intending to disturb the world's peace. By virtue of the Treaty she must respond to any request for an explanation which the Council of the League of Nations may address to her.

The Saar.

In compensation for the destruction of coal mines in Northern France and as payment on account of reparation, Germany cedes to France full ownership of the coal mines of the Saar Basin, with their subsidiaries, accessories, and facilities. Their value will be estimated by the Reparation Commission and credited against that account. The French rights will be governed by German law in force at the Armistice, excepting war legislation, France replacing the present owners, whom Germany undertakes to indemnify. France will continue to furnish the present proportion of coal for local needs, and contribute in just proportion to local taxes. The basin extends from the frontier of Lorraine as re-annexed to France north as far as St. Wendel, including on the west the valley of the Saar as far as Saarholzbach and on the east the town of Homburg.

In order to secure the rights and welfare of the population and guarantee to France entire freedom in working the mines, the territory will be governed by a Commission appointed by the League of Nations, and consisting of five members, one French, one a native inhabitant of the Saar, and three representing three different countries other than France and Germany. The League will appoint a member of the Commission as Chairman, to act as executive of the Commission. The Commission will have all powers of government formerly belonging to the German Empire, Prussia, and Bavaria; will administer the railroads and other public services, and have full power to interpret the Treaty clauses. The local courts will continue, but subject to the Commission. Existing German legislation will remain the basis of the law, but the Commission may make modifications after consulting a local representative assembly which it will organize. It will have the taxing power, but for local purposes only; new taxes must be approved by this assembly. Labour Legislation will consider the wishes of the local labour organizations and the labour program of the League. French and other labour may be freely utilized, the former being free to belong to French unions.

There will be no military service, but only a local gendarmerie to preserve order. The people will preserve their local assemblies, religious liberties, schools, and language; but may vote only for local assemblies. They will keep their present nationality, except so far as individuals may change it. Those wishing to leave will have every facility with respect to their property. The territory will form part of the French customs system, with no export tax on coal and metallurgical products going to Germany, nor on German products for the Basin, and for five years no import duties on products of the Basin

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going to Germany or German products coming into the Basin for local consumption. French money may circulate without restriction.

After fifteen years a plebiscite will be held by communes to ascertain the desires of the population as to continuance of the existing *régime* under the League of Nations, union with France, or union with Germany. The right to vote will belong to all inhabitants over twenty resident therein at the signature. On the opinion thus expressed the League will decide the ultimate sovereignty. In any portion restored to Germany the German Government must buy out the French mines at an appraised valuation; if the price is not paid within six months thereafter, this portion passes finally to France. If Germany buys back the mines, the League will determine how much of the coal shall go to France.

Alsace-Lorraine.

After recognition of the moral obligation to repair the wrong done in 1871 by Germany to France, and the people of Alsace-Lorraine, the territories ceded to Germany by the Treaty of Frankfort are restored to France with their frontiers as before 1871, to date from the signing of the Armistice, and to be free of all public debts.

Citizenship is regulated by detailed provisions distinguishing those who are immediately restored to full French citizenship, those who have to make a formal application therefor, and those for whom naturalization is open after three years. The last-named class includes German residents in Alsace-Lorraine, as distinguished from those who acquire the position of Alsace-Lorrainers as defined in the Treaty.

All public property and all private property of German ex-sovereigns passes to France without payment or credit. France is substituted for Germany as regards ownership of the railroads and rights over concessions of tramways. The Rhine bridges pass to France, with the obligation for their upkeep.

For five years manufactured products of Alsace-Lorraine will be admitted to Germany free of duty to a total amount not exceeding in any year the average of the three years preceding the war, and textile materials may be imported from Germany to Alsace-Lorraine and reexported free of duty. Contracts for electric power from the Right Bank must be continued for ten years.

For seven years, with possible extension to ten, the ports of Kehl and Strasbourg shall be administered as a single unit by a French administrator appointed and supervised by the Central Rhine Commission. Property rights will be safeguarded in both ports, and equality of treatment as respects traffic assured the nationals, vessels, and goods of any country.

Contracts between Alsace-Lorrainers and Germans are maintained save for France's right to annul on grounds of public interest. Judgments of courts hold in certain classes of cases, while in others a judicial *consequatur* is first required. Political condemnations during the war are null and void, and the obligation to repay war fines is established as in other parts of Allied territory.

Various clauses adjust the general provisions of the Treaty to the special conditions of Alsace-Lorraine, certain matters of execution being left to conventions to be made between France and Germany.

German Austria.

The entire independence of German Austria is recognized by Germany.

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Tchecho-Slovakia.

Germany recognizes the entire independence of the Tchecho-Slovak State, including the autonomous territory of the Ruthenians, south of the Carpathians, and accepts the frontiers of this State, as they may be determined, which in the case of the German frontier shall follow the old frontier of Bohemia in 1914. The usual stipulations as to acquisition and change of nationality follow.

Poland.

Germany cedes to Poland the greater part of Upper Silesia, Posen, and the province of West Prussia on the left bank of the Vistula. A field boundary commission of seven, five representing the Allied and Associated Powers and one each representing Poland and Germany, shall be constituted within fifteen days of the Peace to delimit this boundary. Such special provisions as are necessary to protect racial or religious minorities shall be laid down in a subsequent treaty between the Allied and Associated Powers and Poland.

East Prussia.

The southern and the eastern frontier of East Prussia as facing Poland is to be fixed by plebiscites, the first in the Regency of Allenstein between the southern frontier of East Prussia and the northern frontier of Regierungsbesirk Allenstein from where it meets the boundary between East and West Prussia to its junction with the boundary between the circles of Oletsko and Angerburg, thence the northern boundary of Oletsko to its junction with the present frontier, and the second in the area comprising the circles of Stuhm and Rosenberg and the parts of the circles of Marienburg and Marienwerder east of the Vistula.

In each case German troops and authorities will move out within fifteen days of the Peace and the territories be placed under an International Commission of five members appointed by the five Allied and Associated Powers, with the particular duty of arranging for a free, fair, and secret vote. The Commission will report the results of the plebiscites to the five Powers, with a recommendation for the boundary, and will terminate its work as soon as the boundary has been laid down and the new authorities set up.

The five Allied and Associated Powers will draw up regulations assuring East Prussia full and equitable access to the use of the Vistula. A subsequent Convention, of which the terms will be fixed by the five Allied and Associated Powers, will be entered into between Poland, Germany, and Danzig, to assure suitable railroad communication across German territory on the right bank of the Vistula between Poland and Danzig, while Poland shall grant free passage from East Prussia to Germany.

The northeastern corner of East Prussia about Memel is to be ceded by Germany to the Associated Powers, the former agreeing to accept the settlement made, especially as regards the nationality of the inhabitants.

Danzig.

Danzig and the district immediately about it is to be constituted into the "Free City of Danzig," under the guarantee of the League of Nations. A High Commissioner appointed by the League and resident at Danzig shall draw up a constitution in agreement with the

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duly appointed representatives of the city, and shall deal in the first instance with all differences arising between the city and Poland. The actual boundaries of the city shall be delimited by a Commission appointed within six months from the Peace, and to include three representatives chosen by the Allied and Associated Powers and one each by Germany and Poland.

A Convention, the terms of which shall be fixed by the Five Allied and Associated Powers, shall be concluded between Poland and Danzig, which shall include Danzig within the Polish Customs frontiers, though with a free area in the port; insure to Poland the use of all the city's waterways, docks, and other port facilities, the control and administration of the Vistula and the whole through railway system within the city, and postal, telegraphic, and telephonic communication between Poland and Danzig; provide against discrimination against Poles within the city, and place its foreign relations and the diplomatic protection of its citizens abroad in charge of Poland.

Denmark.

The frontier between Germany and Denmark is to be fixed in accordance with the wishes of the population, a vote being taken in Northern Schleswig as a whole and in portions of Central Schleswig by communes. Ten days from the Peace German troops and authorities must evacuate the region north of the line running from the mouth of the Schlei, south of Kappel, Schleswig, and Freidrichstadt along the Eider to the North Sea south of Tonning; and Workmen's and Soldiers' Councils in the zone must be dissolved. During the voting the zone will be under the charge of an International Commission of five members, of whom the Norwegian and Swedish Governments will be invited to choose two. The Commission will temporarily have general powers of administration. After the result of the voting has been declared, the Danish Government may occupy those territories which have opted for Denmark, and Germany shall renounce sovereign rights in these territories. All the inhabitants will then acquire Danish nationality, with certain exceptions. Provisions are made for individual change of nationality under certain conditions.

Heligoland.

The fortifications, military establishments, and harbors of the Islands of Heligoland and Dune are to be destroyed, under the supervision of the Allies, by German labor and at Germany's expense. They are not to be reconstructed, nor are any similar works to be constructed in the future.

Russia.

Germany is to recognize and respect the full independence of all the territories which formed part of the former Russian Empire. Germany is to accept definitely the annulment of the Brest-Litovsk Treaty and of all Treaties or Agreements of all kinds concluded by Germany since the Revolution of November, 1917, with all Governments or political groups on territory of the former Russian Empire.

The Allies reserve all rights on the part of Russia for restitution and satisfaction to be obtained from Germany on the principles of the present Treaty.

Recognition of New States.

[*This section is left blank in the official Summary.*]

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SECTION IV.

POLITICAL CLAUSES OUTSIDE EUROPE.

German Rights Outside Europe.

Outside Europe Germany renounces all rights, titles, and privileges as to her own or her allies' territories to all the Allied and Associated Powers, and undertakes to accept whatever measures are taken by the five Allied Powers in relation thereto.

Colonies and Overseas Possessions.

Germany renounces in favor of the Allied and Associated Powers her overseas possessions with all rights and titles therein. All movable and immovable property belonging to the German Empire or to any German State shall pass to the Government exercising authority therein. These Governments may make whatever provisions seem suitable for the repatriation of German nationals, and as to the conditions on which German subjects of European origin shall reside, hold property, or carry on business. Germany undertakes to pay reparation for damage suffered by French nationals in the Cameroons or its frontier zone through the acts of German civil and military authorities and of individual Germans from 1st January, 1900, to 1st August, 1914. Germany renounces all rights under the Convention of 4th November, 1911, and 28 September, 1912, and undertakes to pay to France in accordance with an estimate presented and approved by the Reparation Commission all deposits, credits, advances, &c., thereby secured. Germany undertakes to accept and observe any provisions by the Allied and Associated Powers as to the trade in arms and spirits in Africa, as well as to the General Act of Berlin, 1885, and the General Act of Brussels of 1890. Diplomatic protection to the inhabitants of former German colonies is to be given by the Governments exercising authority.

China.

Germany renounces in favor of China all privileges and indemnities resulting from the Boxer Protocol of 1901 and all buildings, wharves, barracks, forts, munitions of war, ships, wireless plants, and other public property, except diplomatic or consular establishments, in the German concessions of Tientsin and Hankow, and in other Chinese territory except Kiao-Chow, and agrees to return to China at her own expense all the astronomical instruments seized in 1900 and 1901. China will, however, take no measures for disposal of German property in the Legation quarter at Peking without the consent of the Powers signatory to the Boxer Protocol.

Germany accepts the abrogation of the concessions at Hankow and Tientsin, China agreeing to open them to international use. Germany renounces all claims against China or any Allied and Associated Government for the internment or repatriation of her citizens in China, and for the seizure or liquidation of German interests there since 14th August, 1917. She renounces in favor of Great Britain her State property in the British concession at Canton, and of France and China jointly of the property of the German school in the French concession at Shanghai.

Siam.

Germany recognizes that all agreements between herself and Siam, including the right of extra-territoriality, ceased the 22nd July, 1917.

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All German public property except consular and diplomatic premises passes without compensation to Siam, German private property to be dealt with in accordance with the Economic clauses. Germany waives all claims against Siam for the seizure and condemnation of her ships, liquidation of her property, or internment of her nationals.

Liberia.

Germany renounces all rights under the international arrangements of 1911-1912 regarding Liberia, more particularly the right to nominate a receiver of the customs, and disinterests herself in any further negotiations for the rehabilitation of Liberia. She regards as abrogated all commercial treaties and agreements between herself and Liberia, and recognizes Liberia's right to determine the status and condition of the re-establishment of Germans in Liberia.

Morocco.

Germany renounces all her rights, titles, and privileges under the Act of Algeciras and the Franco-German Agreements of 1909 and 1911, and under all Treaties and arrangements with the Sherifian Empire. She undertakes not to intervene in any negotiations as to Morocco between France and other Powers, accepts all the consequences of the French Protectorate there and renounces the capitulations. The Sherifian Government shall have complete liberty of action in regard to German nationals, and all German-protected persons shall be subject to the common law. All movable and immovable German property, including mining rights, may be sold at public auction, the proceeds to be paid to the Sherifian Government and deducted from the reparation account. Germany is also required to relinquish her interests in the State Bank of Morocco. All Moroccan goods entering Germany shall have the same privilege as French goods.

Egypt.

Germany recognizes the British Protectorate over Egypt declared on the 18th December, 1914, and renounces as from the 4th August, 1914, the capitulations and all the Treaties, Agreements, &c., concluded by her with Egypt. She undertakes not to intervene in any negotiations about Egypt between Great Britain and other Powers. There are provisions for jurisdiction over German nationals and property, and of German consent to any changes which may be made in relation to the Commission of Public Debt. Germany consents to the transfer to Great Britain of the powers given to the late Sultan of Turkey for securing the free navigation of the Suez Canal. Arrangements for property belonging to German nationals in Egypt are made similar to those in the case of Morocco and other countries. Anglo-Egyptian goods entering Germany shall enjoy the same treatment as British goods.

Turkey and Bulgaria.

Germany accepts all arrangements which the Allied and Associated Powers make with Turkey and Bulgaria with reference to any rights, privileges, or interests claimed in those countries by Germany or her nationals and not dealt with elsewhere.

Shantung.

Germany cedes to Japan all rights, titles, and privileges, notably as to Kiao-Chow, and the railroads, mines, and cables acquired by her

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Treaty with China of the 6th March, 1898, and by other agreements as to Shantung. All German rights to the railroad from Tsingtao to Tsinaufu, including all facilities and mining rights and rights of exploitation, pass equally to Japan, and the cables from Tsingtao to Shanghai and Chefoo, the cables free of all charges. All German State property, movable and immovable, in Kiao-Chow is acquired by Japan free of all charges.

SECTION V.

MILITARY, NAVAL, AND AIR CLAUSES.

"In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes directly to observe the military, naval and air clauses which follow."

Military.

The military terms provide for the demobilization of the German Armies and the imposition of other military restrictions, within two months of the signing of the Treaty (as the first step towards international disarmament). All compulsory military service is to be abolished in German territory, and recruiting regulations on a voluntary basis are to be incorporated into the German military laws, providing for the enlistment of non-commissioned officers and men for a period of not less than twelve consecutive years, and stipulating that officers shall serve for twenty-five years, and shall not be retired until the age of forty-five. No reserve of officers with war service will be permitted. The total number of German effectives is fixed at one hundred thousand, including not more than four thousand officers, and it is provided that there shall be no other military forces raised outside this figure. Increase in the number of customs, forestry officials or police, or the military training of these services, is specially prohibited.

The function of the German Army is to keep internal order and control of frontiers. The High Command is to confine itself to administrative duties, and it will not be allowed to retain a General Staff. Civilian personnel at the Ministry of War and similar institutions is to be reduced to one-tenth of that in 1913. There will be not more than seven Infantry and three Cavalry Divisions, and not more than two Corps Staffs. Surplus war academies, and schools for officers, cadets, &c., are to be suppressed, and the number of students admitted to the schools retained for the recruitment of officers is to be limited, to the vacancies occurring in the establishments provided. The production of armaments, munitions, and material of war in Germany is limited to a schedule, based on the amount considered necessary for an army on the scale decided upon. No reserves may be formed, and all existing armaments, guns and stores above the limit fixed must be handed over to the Allies for disposal. No poisonous gas or liquid fire shall be manufactured or imported, nor any tanks nor armored cars. The Germans are obliged to notify to the Allies for approval the names and situation of all factories manufacturing munitions, together with particulars of their output. The German Government arsenals are to be suppressed and their personnel dismissed. Munitions for use in fortified works will be limited to 1,500 rounds apiece for guns of 10.5 cm. calibre and under, and 500 rounds for guns of a higher calibre. Germany is prohibited from manufacturing armaments and munitions for foreign countries, and from im-

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porting them from abroad. Germany must not maintain or construct any fortifications situated on German territory less than 50 kilometres east of the Rhine, and in the above area no armed forces either permanent or temporary may be maintained. The *status quo* is to be reserved in respect of the fortifications on the original southern and eastern frontiers of the German Empire. No military manœuvres may be held nor any permanent works kept for the purposes of helping mobilization. The demobilization of fortifications must take place within three months.

Naval.

The Naval terms provide that within two months the German naval forces in commission must not exceed six battleships of the "Deutschland" or "Lothringen" type, six light cruisers, twelve destroyers, and twelve torpedo boats, or an equal number of ships constructed to replace them. No submarines are to be included, and all other warships are to be placed in reserve or devoted to commercial purposes. Germany may keep in commission a fixed number of mine-sweeping vessels until the mines within certain specified areas in the North Sea and the Baltic have been swept up. After the expiration of two months the total exclusive personnel of the navy must not exceed 15,000, including a maximum of 1,500 officers and warrant officers. All German surface warships interned in Allied or neutral ports are to be finally surrendered. Within two months certain additional warships enumerated in the Treaty and now in German ports will be surrendered at Allied ports. The German Government must undertake the breaking up of all German surface warships under construction. Auxiliary cruisers, &c., are to be disarmed and treated as merchant ships. Within one month all German submarines, salvage vessels, and docks for submarines capable of proceeding under their own power or of being towed must have been handed over at Allied ports. The remainder and those under construction must be broken up by Germany within three months.

Material arising from the breaking up of German warships may not be used except for industrial purposes, and may not be sold to foreign countries. Except under specified conditions for replacement, Germany is forbidden to construct or acquire any warships, and the construction or acquisition of any submarines whatever is prohibited. Vessels of war are only to have a fixed allowance of arms, munitions, and war material. All excess of arms, munitions, and war material is to be surrendered, and no stocks or reserves are allowed.

The *personnel* of the German navy must be recruited entirely by voluntary engagements for a minimum period of twenty-five consecutive years for officers and warrant officers, and twelve consecutive years for petty officers and men, under various restrictions.

In order to ensure free passage into the Baltic, Germany is not to erect any fortifications in certain specified areas, nor to instal any guns commanding maritime routes between the North Sea and the Baltic. Existing fortifications within those areas are to be demolished and guns removed. Other fortified works within 50 kilometers of the German coast or on German islands are to remain, as being of a defensive nature, but no new fortifications may be constructed and the armaments may not be increased. The maximum stocks of ammunition allowed for such defences are 1,500 rounds per piece for 4.1-inch guns and under, and 500 rounds per piece for guns exceeding that caliber.

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The German wireless stations at Nauen, Hanover and Berlin are not to be used for naval, military, or political messages without the assent of the Allied and Associated Governments during three months, but only for commercial purposes, under supervision. During the same period Germany is not to build any more high-power wireless stations.

Germany will be allowed to repair German submarine cables which have been cut but are not being utilized by the Allied Powers, and also portions of cables which, after having been cut, have been removed, or are at any rate not being utilized by any one of the Allied and Associated Powers. In such cases the cables, or portions or cables, removed or utilized remain the property of the Allied and Associated Powers, and accordingly fourteen cables or parts of cables are specified which will not be restored to Germany.

Air.

The Air clauses provide that the armed forces of Germany must not include any military or naval forces. Germany is, however, to be allowed to maintain a maximum of 100 unarmed seaplanes up to the 1st October, 1919, to be exclusively employed in searching for submarine mines. The entire personnel of the air forces in Germany is to be demobilized within two months, except for a total of 1,000 men, including officers, which may be retained up to October.

The aircraft of the Allied and Associated Powers are to enjoy full liberty of passage and landing over and in the territory and territorial waters of Germany until the 1st January, 1923, unless prior to that date Germany is admitted to the League of Nations or is permitted to adhere to the International Air Convention.

The manufacture of aircraft and parts of aircraft is forbidden throughout Germany for six months.

All military and naval aircraft (including dirigibles) and aeronautical material are to be delivered to the Allied and Associated Governments within three months, except for the 100 seaplanes already specified.

General.

General articles provide for the modification of German laws in conformity with the preceding clauses.

All the clauses contained in the Treaty are to be executed by Germany under the control of Inter-Allied Commissions, to be specially appointed by the Allied and Associated Governments, for which the German Government is bound to furnish all necessary facilities and expenses of upkeep. The duties of the Military, Naval, and Aeronautical Commissions of Control are laid down in detail.

SECTION VI.

PRISONERS OF WAR.

The repatriation of German prisoners and interned civilians is to be carried out by a Commission composed of representatives of the Allies and the German Government, together with local sub-commissions. German prisoners of war and interned civilians are to be returned without delay by the German authorities at their own cost. Those under sentence for offences against discipline committed befor the 1st May, 1919, are to be repatriated without regard to the completion of their sentence, but this does not apply in the case of offences other than those against discipline. The Allies have the

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right to deal at their own discretion with German nationals who do not desire to be repatriated, and all repatriation is conditional on the immediate release of any Allied subjects still in Germany. The German Government is to accord facilities to Commissions of Enquiry in collecting information in regard to missing prisoners of war, and in imposing penalties on German officials who have concealed Allied nationals. The German Government is to restore all property belonging to Allied prisoners, and there is to be a reciprocal exchange of information as to dead prisoners and their graves.

GRAVES.

The Allies and the German Government are to respect and maintain the graves of all soldiers and sailors buried in their territories and to recognize and assist any Commissions appointed by the Allies in connection with them, agreeing also to give any practicable facilities for removal and reburial.

SECTION VII.

RESPONSIBILITIES FOR THE CRIMES OF THE WAR.

The Allies publicly arraign the ex-Emperor William II "for a supreme offence against International Morality and the Sanctity of Treaties."

The ex-Emperor's surrender is to be asked for from the Dutch Government, and a special Tribunal is to be set up, consisting of one judge from each of the five Great Powers. The Tribunal is to be guided by the highest principles of international policy, and is to have the duty of fixing whatever punishment it thinks should be imposed. Military Tribunals are to be set up by the Allies to try persons accused of acts of violation of the laws and customs of war, and the German Government is to hand over all persons so accused. Similar Tribunals are to be set up by any particular Allied Power against whose nationals criminal acts have been committed. The accused are to be entitled to name their own counsel, and the German Government is to undertake to furnish all documents and information the production of which may be necessary.

SECTION VIII.

REPARATION AND RESTITUTION.

"The Allied and Associated Governments affirm, and Germany accepts on behalf of herself and her Allies, the responsibility for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of the enemy States."

While the grand total of damages assessed against Germany may exceed her ability to pay, she undertakes to make compensation for all damages caused to civilians under seven main categories:—

(*a*) Damage by personal injury to civilians caused by acts of war, directly or indirectly.
(*b*) Damage caused to civilians by acts of cruelty ordered by the enemy, and to civilians in the occupied territories.
(*c*) Damages caused by maltreatment of prisoners.

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(*d*) Damages to the Allied peoples represented by pensions and separation allowances, capitalized at the signature of this Treaty.
(*e*) Damages to property other than naval or military materials.
(*f*) Damage to civilians by being forced to labour.
(*g*) Damages in the form of levies or fines imposed by the enemy.

The total obligation of Germany to pay, as defined in the category of damages, is to be determined and notified to her after a fair hearing and not later than 1st May, 1921, by an Inter-Allied Reparation Commission. At the same time a schedule of payments to discharge the obligation within thirty years shall be presented. These payments are subject to postponement in certain contingencies. Germany irrevocably recognizes the full authority of this Commission, agrees to supply it with all the necessary information and to pass legislation to effectuate its findings. She further agrees to restore to the Allies cash and certain articles which can be identified.

As an immediate step towards restoration, Germany shall pay within two years 20,000,000,000 marks in either gold, goods, ships, or other specific forms of payment, with the understanding that certain expenses, such as those of the armies of occupation and payments for food and raw materials, may be deducted at the discretion of the Allies.

"In periodically estimating Germany's capacity to pay, the Reparation Commission shall examine the German system of taxation, first, to the end that the sums for reparation which Germany is required to pay shall become a charge upon all her revenues, prior to that for the service or discharge of any domestic loan, and secondly, so as to satisfy itself that in general the German scheme of taxation is fully as heavy proportionately as that of any of the Powers represented on the Commission."

"The measures which the Allied and Associated Powers shall have the right to take, in case of voluntary default by Germany, and which Germany agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals, and in general such other measures as the respective Governments may determine to be necessary in the circumstances."

The Commission shall consist of one representative each of the United States, Great Britain, France, Italy, and Belgium, with all other Allied Powers entitled, when their claims are under consideration, to the right of representation without voting power. It shall permit Germany to give evidence regarding her capacity to pay, and shall assure her a just opportunity to be heard. It shall make its headquarters at Paris; establish its own procedure and personnel; have general control of the whole reparation problem; and become the exclusive agency of the Allies for receiving, holding, selling, and distributing reparation payments. Majority vote shall prevail except that unanimity is required on questions involving the sovereignty of any of the Allies, the cancellation of all or part of Germany's obligations, the time and manner of selling, distributing, and negotiating bonds issued by Germany, any postponement between 1921 and 1926 of annual payments beyond 1930, and any postponement after 1926 for a period of more than three years, the application of a different method of measuring damage than in a similar former case, and the interpretation of provisions. Withdrawal from representation on the Commission is permitted upon twelve months' notice.

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The Commission may require Germany to give from time to time, by way of guaranty, issues of bonds or other obligations to cover such claims as are not otherwise satisfied. In this connection and on account of the total amount of claims, bond issues are presently to be required of Germany in acknowledgment of its debt as follows:—20,000,000,000 marks gold, payable not later than the 1st May, 1921, without interest; 40,000,000,000 marks gold bearing 2½ per cent. interest between 1921 and 1926, and thereafter 5 per cent. with a 1 per cent. sinking fund payment beginning in 1926, and an undertaking to deliver 40,000,000,000 marks gold bearing interest at 5 per cent. under terms to be fixed by the Commission.

Interest on Germany's debt will be 5 per cent. unless otherwise determined by the Commission in the future, and payments that are not made in gold may "be accepted by the Commission in the form of properties, commodities, businesses, rights, concessions, &c." Certificates of beneficial interest, representing either bonds or goods delivered by Germany, may be issued by the Commission to the interested Power, no Power being entitled, however, to have its certificates divided into more than five pieces. As bonds are distributed and pass from the control of the Commission, an amount of Germany's debt equivalent to their par value is to be considered as liquidated.

Shipping.

The German Government recognizes the right of the Allies to the replacement, ton for ton and class for class, of all merchant ships and fishing-boats lost or damaged owing to the war, and agrees to cede to the Allies all German merchant ships of 1,600 tons gross and upwards, one-half of her ships between 1,600 and 1,000 tons gross, and one-quarter of her steam trawlers and other fishing-boats. These ships are to be delivered within two months to the Reparation Commission, together with documents of title evidencing the transfer of the ships from encumbrance.

"As an additional part of reparation," the German Government further agrees to build merchant ships for the account of the Allies to the amount of not exceeding 200,000 tons gross annually during the next five years.

All ships used for inland navigation taken by Germany from the Allies are to be restored within two months, the amount of loss not covered by such restitution to be made up by the cession of the German river fleet up to 20 per cent. thereof.

Devastated Areas.

Germany undertakes to devote her economic resources directly to the physical restoration of the invaded areas. The Reparation Commission is authorized to require Germany to replace the destroyed articles by the delivery of animals, machinery, &c., existing in Germany, and to manufacture materials required for reconstruction purposes—all with due consideration for Germany's essential domestic requirements.

Special Provisions.

Germany is to restore within six months the Koran of the Caliph Othman, formerly at Medina, to the King of the Hedjaz, and the skull of the Sultan Mkwawa, formerly in German East Africa, to His Britannic Majesty's Government.

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The German Government is also to restore to the French Government certain papers taken by the German authorities in 1870, belonging then to M. Rouher, and to restore the French flags taken during the war of 1870-71.

SECTION IX.

FINANCE.

Powers to which German territory is ceded will assume a certain portion of the German pre-war debt, the amount to be fixed by the Reparation Commission on the basis of the ratio between the revenues of the ceded territory and Germany's total revenues for the three years preceding the war. In view, however, of the special circumstances under which Alsace-Lorraine was separated from France in 1871, when Germany refused to accept any part of the French public debt, France will not assume any part of Germany's pre-war debt, nor will Poland share in certain German debts incurred for the oppression of Poland. The value of German Government property in ceded territory will in general be credited to Germany on account of Reparation, but no credit will be given for any German Government property in Alsace-Lorraine. Mandatory Powers will not assume any German debts or give any credits for German Government property. Germany renounces all rights of representation on, or control of, State banks, Commissions, or other similar international financial and economic organizations.

Germany is required to pay the total cost of the Armies of Occupation from the date of the Armistice as long as they are maintained in German territory, and this cost is to be a first charge on her resources. The cost of Reparation is the next charge, after making such provision for payments for imports as the Allies may deem necessary.

Germany is to deliver to the Allied Powers all sums deposited in Germany by Turkey and Austria-Hungary in connection with the financial support extended by her to them during the war, and to transfer to the Allies all claims against Austria-Hungary, Bulgaria or Turkey in connection with agreements made during the war. Germany confirms the renunciation of the Treaties of Bucharest and Brest-Litovsk.

On the request of the Reparation Commission, Germany will expropriate any rights or interests of her nationals in public utilities in ceded territories or those administered by mandatories, and in Turkey, China, Russia, Austria-Hungary and Bulgaria, and transfer them to the Reparation Commission, which will credit her with their value. Germany guarantees to repay to Brazil the fund arising from the sale of Sao Paulo coffee which she refused to allow Brazil to withdraw from Germany.

SECTION X.

ECONOMIC CLAUSES.

Customs.—The Treaty contains detailed provisions for securing that Germany shall not discriminate, directly or indirectly, against the trade of Allied and Associated countries.

These provisions will remain in force for five years, unless extended by the Council of the League of Nations. Temporary provision is made for the free entrance into Germany, up to a limited amount, of products of Alsace-Lorraine, Luxemburg, and German territory ceded

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to Poland. The German import tariff applicable at the outset to Allied goods will not exceed the lowest rates of 1914. After six months Germany will be free to raise her tariff, so long as it is impartially applied to all the Allies, except as regards a few specified articles, mainly agricultural products, with regard to which the restriction will extend for a further period of two-and-a-half years. Power is reserved in case of necessity to impose a special Customs *régime* in the occupied areas.

Shipping. — Vessels of the Allies are to enjoy both national and most-favored-nation treatment in Germany for at least five years, and this provision will continue thereafter on condition of reciprocity, unless revised by the Council of the League of Nations.

As regards fishing, coasting trade, and towage, most-favored-nation treatment is to be accorded for the same period as for Customs matters.

Provision is made for the recognition by Germany of ships' certificates, and of the places of registry of ships belonging to States without a seaboard.

Unfair Competition. — Germany undertakes to protect the trade of the Allies against unfair competition, and, in particular, to suppress the use of false markings and indications of origin, and, on condition of reciprocity, to respect the laws and judicial decisions of Allied and Associated States in respect of regional appellations of wines and spirits.

Treatment of Nationals.—Germany is not to impose on the nationals of the Allied States or their property any restrictions which were not in force before the war or any taxes, unless those restrictions and taxes are applied to her own nationals. She is also prevented from imposing restrictions in regard to the exercise of occupations which are not applicable to all foreigners. These provisions are to be in force for a period of five years, and, if a majority of the Council of the League of Nations so decides, for an additional period not exceeding five years. German nationality shall not continue to attach to a person who has become a national of an Allied or Associated State.

Multilateral Conventions.—Some forty multilateral Conventions are renewed between Germany and the Allies parties thereto, but special conditions are attached to Germany's readmission to several. For example, as to postal and telegraphic Conventions, Germany must not refuse her consent to special arrangements concluded by the new States. She must agree as respects the Radio-telegraphic Convention to fulfil the provisional rules to be communicated to her and adhere to a new Convention when formulated; under the North Sea Fisheries and North Sea Liquor Traffic Conventions, rights of inspection and police over Allied fishing-boats are, for at least five years, to be exercised only by vessels of Allied Powers. Germany loses special rights granted her under Article 3 of the Samoa Treaty of 1899 and other Treaties, and in particular is to renounce her right to the Boxer indemnities subsequent to China's entry into the war.

Bilateral Treaties.—Each Allied State may, if it desires, renew any of its treaties with Germany, in so far as consistent with the Peace Treaty, by giving notice within six months. Treaties entered into by Germany since the 1st August, 1914, with other enemy States, and before or since then with Rumania, Russia, or Governments represent-

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ing parts of former Russian territory, are abrogated, and concessions granted under pressure to German nationals annulled. The Allies are to enjoy the privileges conferred under treaties entered into by Germany with other enemy States before the 1st of August, 1914, and under treaties entered into by Germany with neutral States during the war.

Pre-War Debts.—Clearing Offices are to be established within three months in Germany and in each Allied or Associated State which adopts the plan, and the settlement of pre-war debts and other specified pecuniary obligations will take place through these offices, direct settlement being prohibited. The adjustment of the proceeds of the liquidation of enemy property will also be made through these offices. Each participating State is to take responsibility for obligations of the kinds referred to on the part of its nationals towards nationals of the opposing States, except in cases where at the outbreak of war the debtor was insolvent. Claims are to be discussed between the Clearing Offices of the two countries concerned, and failing agreement are to be submitted to arbitration or to the Mixed Arbitral Tribunal referred to below. The sums due to the nationals of each country are to be paid by the Clearing Office in that country and the sums owing by such nationals are to be debited to it. Debts are to be paid in the currency of the Allied country concerned, and the rate of exchange to be adopted, failing specific provision in the contract, is to be the average cable transfer rate prevailing in that country during the month immediately preceding the outbreak of war between the country in question and Germany. It is optional with any Allied Power to participate in the above system.

Enemy Property.—The action of liquidation, control, &c., taken in the Allied countries and in Germany in regard to enemy property and businesses under exceptional war measures is confirmed, subject to compensation in respect of loss to the property, &c., of Allied nationals, to be determined by the Mixed Arbitral Tribunal and charged upon the property of German nationals which is under the control of the Claimant's State. Any compensation due to her own nationals is to be paid by Germany.

All action of liquidation, control, &c., in Germany is to be stayed, and the Allied property, if not completely liquidated, is to be restored. Nationals of countries which did not make any general liquidation of German property may require the restoration, if possible, of their actual property by the German Government, in whosever hands it may now be. Stipulations are included for the protection of returned property and businesses in Germany in the future.

The Allies reserve the right to retain and liquidate all German property within their territory. The net proceeds of sales of such property, both during and after the war, are to be credited to Germany, and to be applied by each State to the satisfaction of claims by its nationals with regard to their property in Germany or debts owing to them by Germans.

Contracts. — Pre-war contracts between Allied nationals and German nationals are in general cancelled as from the date at which the parties became enemies. Exception is made in the case of agreements for the transfer of real or personal property, where the property therein had already passed, leases of land and houses, contracts of mortgage, pledge or lien, mining concessions, contracts with Govern-

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ments and public bodies, and insurance contracts. In regard to the last-named class of contracts, detailed provision is made, as indicated below.

Powers are reserved for the maintenance of contracts, the execution of which is regarded by an Allied State as in the general interest, subject, if necessary, to the payment of equitable compensation to be fixed by the Mixed Arbitral Tribunal.

Having regard to constitutional difficulties in the case of the United States of America, Brazil, and Japan, these countries are excepted from the provisions relating to pre-war contracts.

Fire-insurance contracts are not considered dissolved by the war, even if premiums have not been paid, but lapse at the date of the first annual premium falling due three months after the Peace. Life insurance contracts are not dissolved merely by reason of the war, but where they have lapsed the surrender value may be claimed, or if the lapse was due to payment of premiums being prevented by the enforcement of measures of war the contract may be restored on payment of premiums with interest. Marine insurance contracts are dissolved by the outbreak of war, except where the risk had already attached. Where the same risk was again insured against, after war had begun, the new policy is to be considered as substituted for the old. Where the risk had not attached at the outbreak of war, premiums paid are recoverable. The insurance treaties are abrogated unless invasion has made it impossible for the reinsured to find another re-insurer. Any Allied or Associated Power, however, may cancel all the life-insurance contracts running between its nationals and a German insurance or re-insurance company, the latter being obliged to hand over the proportion of its assets attributable to such policies.

A Mixed Arbitral Tribunal is to be established between each of the Allies and Germany, consisting of one Member appointed by each of the two Governments, and a President to be chosen, failing agreement, by the Council of the League of Nations, or until this is set up, by the present President of the Swiss Federal Council. This Tribunal is to decide all disputes relating to contracts made before the date of the Treaty of Peace between nationals of the Allied States and German nationals, so far as they do not fall within the jurisdiction of Allied or Associated or Neutral Courts.

Industrial Property.—Rights in industrial, literary, and artistic property are re-established, but subject, in the case of German-owned rights, to the effect of the special war measures of the Allies, the right of imposing on German patents and copyrights conditions in the public interest or to secure the fulfilment of Germany's obligations is reserved. Extensions of time are given for the accomplishment of formalities, for the working of patents, and for securing rights under the international conventions. Except as between the United States of American and Germany, pre-war licenses are cancelled, subject to the right of the old licensee to demand a new license on terms to be specially settled; and except as between the same countries, the right to sue for infringement committed during the war is not recognized.

Opium. — The High Contracting Powers who have not signed or ratified the Opium Convention of 1912 agree to bring it into force.

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SECTION XI.

AERIAL NAVIGATION.

Aircraft of the Allied and Associated Powers shall have full liberty of passage and landing over and in German territory, equal treatment with German planes as to use of German airdromes, and with most-favored-nation planes as to internal commercial traffic in Germany. Germany agrees to accept Allied certificates of nationality, airworthiness, or competency and licenses, and to apply the convention relative to Aerial Navigation concluded between the Allied and Associated Powers to her own aircraft over her own territory. These rules apply until 1923 unless Germany has since been admitted to the League of Nations or to the above Convention.

SECTION XII.

PORTS, WATERWAYS AND RAILWAYS.

Germany is required to grant freedom of transit and full national treatment to persons, goods, vessels, rolling stock, &c., coming from or going to any Allied or Associated State and passing in transit through German territories. Goods in transit are to be free of Customs duties. Rates of transport are to be reasonable and no charges or facilities are to depend directly or indirectly on the flag of the vessel. Provisions are made against discrimination by control of transmigrant traffic; and all kinds of indirect discrimination are prohibited.

International transport is to be expedited, particularly for perishable goods. There is to be no discrimination in transport charges and facilities against Allied ports.

Free zones in German ports are to be maintained, and adequate facilities are to be provided for trade requirements without distinction of nationality. Only certain limited charges are permissible in Free Ports.

The Elbe, from the junction of the Vltava (Moldau) and the Vltava below Prague; the Oder, from its confluence with the Oppa; the Niemen, below Grodno; and the Danube, below Ulm, are declared international, together with the portions of their affluents. Nationals, property and flags of all States are to be treated on a footing of perfect equality with subjects, &c., of the riparian States, and various conditions are imposed to ensure facilities and reasonable charges and the maintenance of navigation, under the supervision of the League of Nations, and of International Commissions. These are to meet in the near future to prepare projects for the revision of the existing agreements, which are temporarily to remain in force.

Germany is to hand over within three months from notification a proportion of its river shipping, tugs, and material.

In the case of the Danube, the former Commission is to resume its pre-war powers, but only Great Britain, France, Italy, and Rumania are to be represented on it. From the point where the competence of the Commission ceases, an International Commission is to be appointed to administer the whole Upper Danube, until a definitive Statute is arrived at.

Provision is also made for a deep-draught Rhine-Danube Canal, should it be decided to construct it within twenty-five years.

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The Rhine and Moselle form the subject of a special series of clauses. The Convention of 1868 is in general to remain in force with important modifications: the expanded Central Commission is to sit at Strasbourg, France to name the President. As Holland is a party to this Convention, the modifications are subject to her assent.

Within three months, Germany is to hand over to France a proportion of tugs and river shipping from the Rhine harbors, or shares in German navigation companies. A proportion of buildings, tugs, &c., owned by Germans in Rotterdam harbor on the 1st August, 1914, or shares in such concerns, is similarly to be handed over.

France is to have full rights all along her own frontier to use water from the Rhine for canals, &c., and to carry out works for deriving motive power, subject to certain payments and to the consent of the Commission.

Germany is to undertake to make no canals on the right bank opposite the French frontier, and to grant France certain privileges on the right bank for the establishment of certain engineering works, subject to the payment of compensation. Switzerland is also entitled to demand similar rights for the upper part of the river.

If within 25 years Belgium decides to construct a Rhine-Meuse Canal, the German Government is bound to construct such parts of it as fall within German territory, according to plans drawn up by the Belgian Government, expenses to be divided among the various States.

Germany is to make no objection to the Commission extending its jurisdiction if desired to the Lower Moselle (with the consent of the Luxembourg Government), to the Upper Rhine (with the consent of the Swiss Government), and to the lateral canals and waterways which may be constructed to improve navigation.

The German Government is to lease to the Tchecho-Slovak Republic, for 99 years, areas in the harbors of Hamburg and Stettin as free zones.

Railways.—The Railway Clauses provide that goods consigned from or to Allied States to or from Germany, or in transit through Germany, are entitled generally to the most favorable conditions available.

Certain railway tariff questions are dealt with.

When a new Railway Convention has replaced the Berne Convention of 1890, it will be binding on Germany; in the meantime she is to follow the Berne Convention.

Germany is to cooperate in the establishment of passenger and luggage services with direct booking between Allied States over her territory, under favorable conditions, as well as emigrant train services.

Germany is to fit her rolling stock with apparatus allowing of its being incorporated in Allied goods trains, and *vice versa*, without interfering with the brake system. Provision is made for the handing over of the installations of lines in transferred territory, and of an equitable proportion of rolling stock for use therein. Commissions are to settle the working of lines linking up two parts of one country and crossing another, or branch lines passing from one country to another.

In the absence of particular agreements Germany is to allow such lines to be built or improved as may be necessary to ensure good ser-

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vices between one Allied State and another, if called upon to do so within 25 years with the concurrence of the League of Nations, the Allied States concerned paying the cost.

Germany is to agree, at the request of the Swiss and Italian Governments, to the denunciation of the 1909 Convention as to the St. Gothard route.

As a temporary arrangement, Germany is to execute instructions given in the name of the Allies as to transport of troops, material, munitions, &c., transport for revictualling of certain regions, and re-establishment of normal transport, postal and telegraphic services.

Finally, Germany is to agree to subscribe to any General Conventions regarding the international *régime* of transit, waterways, ports, or railways which may be concluded by the Allies (with the approval of the League of Nations) within five years.

Differences are to be settled by the League of Nations. Certain specified articles, *e. g.*, those providing for equal treatment in matters of transit and transport, are subject to revision by the League of Nations after five years. Failing revision, they will only continue in force in relation to any Allied State which grants reciprocal treatment.

The Kiel Canal.—The Kiel Canal is to remain free and open to ships of war and merchant shipping of all nations at peace with Germany. Subjects, goods, and ships of all States are to be treated on terms of equality in the use of the Canal, and charges are to be limited to those necessary for the upkeep and improvement of the Canal, for which Germany is to be responsible. In cases of violation of these provisions or disagreements as to them, States concerned may appeal to the jurisdiction established by the League of Nations, and may demand the appointment of an International Commission.

SECTION XIII.

THE LABOUR CONVENTION.

[*The full text has already been published.*]

Under the provisions of the Labour Convention:—

1. An International Conference is to be held annually, to propose Labour reforms for adoption by States composing the League of Nations.
2. There is to be a governing body to act as executive and to prepare the Agenda for the Conference, and an International Labour Office for the collection and distribution of information and reports. The head of this office will be responsible to the governing body.
3. The Annual Conference will consist of four representatives from each State, two for the State and one each for employers and employed. Each Delegate may vote independently. The Conference will have power to adopt by a two-third majority recommendations or draft conventions on Labour matters. Recommendations or draft conventions so adopted must be brought by each State before the authority or authorities within whose competence the matter lies for the enactment for legislation or other action. If a draft convention receives the approval of the competent authority, the State in question is under obligation to ratify it and to carry it into effect. Should any State fail to ob-

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serve the above obligations, it will be open to the governing body to appoint a Commission of Inquiry, as a result of whose findings the League of Nations may take economic measures against the offending State.

4. Special provision is made to prevent any conflict with the constitution of the United States or other Federal States.
5. To meet the case of countries where climate, imperfect industrial development, or other special circumstances render labor conditions substantially different from those obtaining elsewhere, the Conference must take the difference into account in framing the Convention. A protocol attached to the Convention provides that the first meeting shall be at Washington in the present year, and sets up an International Organizing Committee for that purpose. The protocol also contains the agenda for the first meeting, which include the principle of the eight-hours day, the question of unemployment, and of the employment of women and children, especially in dangerous trades.

Appended to the section containing the Labour Convention is an affirmation by the High Contracting Parties of the methods and principles for regulating labour conditions, which all industrial communities should endeavor to apply so far as their special circumstances permit. Amongst these are that labour should not be regarded merely as a commodity or article of commerce; the right of association for all lawful purposes for the employer as well as for the employed; the payment to the employed of a wage implying a reasonable standard of life, as understood in their time and country. The adoption of an eight-hours day or a forty-eight hours week where it has not already been attained; the adoption of a weekly rest of at least twenty-four hours, including Sunday where practicable. The abolition of child labour and the limitation of the labour of the young, so as to permit the continuance of their education and proper physical development. The principle of equal pay for men and women for equal work. Any legal standard for conditions of labour to have regard in each country to the equitable economic treatment of all workers resident therein. The provision by each State of a system of inspection for the protection of the employed, in which women should take part.

SECTION XIV.

GUARANTEES.

Western Europe.—As a guarantee for the execution of the Treaty, German territory to the west of the Rhine, together with the bridgeheads, will be occupied by Allied and Associated troops for fifteen years. If the conditions are faithfully carried out by Germany, certain districts, including the bridgehead of Cologne, will be evacuated at the expiration of five years; certain other districts, including the bridgehead of Coblenz, will be evacuated after ten years, and the remainder, including the bridgehead of Mainz, will be evacuated after fifteen years. In case the Inter-Allied Reparation Committee finds that Germany has failed to observe the whole or part of her obligations, either during the occupation or after the fifteen years have expired, the whole or part of the areas specified will be reoccupied immediately. If before the expiration of the fifteen years Germany complies with all the undertakings resulting from the present Treaty, the occupying forces will be withdrawn immediately.

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Eastern Europe. — Similarly, all German troops at present in the territories to the east of the new frontier shall return as soon as the Allies think the moment suitable. They are to abstain from all requisitions, &c., and are in no way to interfere with such measures for national defence as may be adopted by the provisional Governments concerned.

All questions regarding occupation not provided for by the Treaty will be regulated by a subsequent Convention or Conventions which will have similar force and effect.

SECTION XV.

MISCELLANEOUS.

Germany agrees to recognize the full validity of the Treaties of Peace and additional conventions to be concluded by the Allied and Associated Powers with the Powers allied with Germany, to agree to the decisions to be taken as to the territories of Austria-Hungary, Bulgaria, and Turkey, and to recognize the new States in the frontiers to be fixed for them.

The High Contracting Parties note the Treaty of July, 1918, between France and the Principality of Monaco.

They agree that chairmen of Commissions shall under certain circumstances have a casting vote.

The work of religious missions maintained by German Societies in territory transferred to or belonging to the Allied or Associated Powers is to be continued under trustees appointed by those Powers.

In a Barrer Clause, Germany undertakes not to put forward any pecuniary claim against any Allied Power signing the present Treaty, based on events previous to the coming into force of the Treaty.

Germany accepts all decrees, &c., as to German ships and goods made by any Allied Prize Court, and the Allies reserve the right to examine all decisions of German Prize Courts.

The present Treaty, of which the French and English texts are both authentic, shall be ratified, and the deposit of ratification made in Paris, as soon as possible. Various diplomatic provisions as to ratification follow. The Treaty is to enter into force in all respects for each Power on the date of deposit of its ratification.

—From the time the treaty was transmitted to the German peace delegation until it was signed on June 28, Germany made desperate efforts to induce the Council of Four to modify its stringent terms. To this end a series of notes were exchanged between Count Brockdorff-Rantzau, head of the German delegation and M. Clemenceau, president of the Conference. On May 29 the German delegation, after characterizing the treaty draft of May 7 as "victorious violence" and a thing impossible of attainment, submitted an elaborate series of **counter-proposals:** (1) Germany agreed to the reduction of her standing army to 100,000 men and the disarmament of all German battleships on condition that she be allowed to retain part of her merchant fleet; (2) she offered to surrender sovereignty over Alsace, North Schleswig and Posen but requested a plebiscite for them; (3)

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she agreed to the neutralization of the Vistula but stipulated that Danzig become a free port; the cession of Upper Silesia and parts of East and West Prussia, without consulting the populations affected, she uncompromisingly rejected; (4) she held that the annexation of the Saar basin to France would create another Alsace-Lorraine and that the whole question, therefore, should be reconsidered; (5) she asked that occupied territory should be evacuated within six months, and, if a League of Nations should be established, with Germany as a member, that she continue to administer her colonies as mandatary; (6) she rejected the "penal stipulations" and demanded a neutral tribunal to try all violations of the laws of war; (7) as to reparation, she asked that a definite sum be fixed and the date of payment postponed. She suggested that she pay twenty billion marks before May 1, 1926, and the remainder in annual payments, without interest, beginning May 1, 1927, the total not to exceed one billion marks per year.—In **reply to these counter-proposals** the Allies, after reasserting that the responsibility for the war rested with Germany, declared that the trial of the Kaiser by an allied tribunal "would represent the deliberate judgment of the greater part of the civilized world." "Superior control" of the Saar basin, they stated, was left entirely to the League of Nations, and the inhabitants, at the end of fifteen years, were given the right to decide their future for themselves. Germany's claim to her colonies was rejected, nor would the Allies agree to a plebiscite for Alsace. At the suggestion of the Danish government modifications had been made, the reply stated, in regard to a Schleswig plebiscite. Germany's objection to a plebiscite in East Prussia was declared to be "inexplicable". The Peace Conference made some **concessions,** chief of which were (1) that Danzig be a free city and a plebiscite be taken in Upper Silesia; (2) that in regard to reparation, Germany might submit proposals within four months; within another two months the Allies would reply, and the final amount would then be fixed; (3) that Germany might be admitted to membership in the League of Nations "at an early date" if she proved by her acts that she intended to fulfil the conditions of the treaty; (4) that she would be permitted to reduce her army to 200,000 men within three months, the rate of reduction to the stipulated 100,000 men to be reviewed every three months. **A new version of the treaty,** in which all modifications and alterations were incorporated, was handed to the German delegation on June 16. Under threat of terminating the armistice and invading Germany, an expression of the latter's willingness to sign was required by June 23. After long deliberation the German National Assembly (see *infra*, p. 139) on the last day of the stated period, **accepted unconditionally** the allied terms. On June 28 the treaty was signed at Versailles by Dr. Hermann Müller, Minister of Foreign Affairs, and Dr. Johannes Bell, the two German delegates substituted

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for the former German delegation which had withdrawn (see *infra*, p. 138), and by the representatives of the Allied and Associated Powers.— The **Chinese delegation,** as a protest against the Shantung award (see *infra*, p. 145) refused to sign the treaty. As early as March they had sent a memorial to the Peace Conference demanding the restoration of Kiao-Chau and the evacuation of Shantung, and as soon as the decision of the conference regarding Shantung became known, they registered a formal protest with the Supreme Council against the proposed settlement. Later they made repeated efforts to secure the consent of the Council to their signing the treaty with reservations on the disputed points. But they were denied this privilege, nor were they allowed to make a declaration in the event of signing the treaty. Accordingly on June 27 the Chinese delegation officially announced that China would not sign. — Of great significant was the action of **General Smuts** of the South African delegation, who, though he signed the treaty, protested against some of its terms, holding that the indemnities stipulated could not be accepted without grave injury to the industrial revival of Europe, that there were territorial settlements which would need revision, and that punishments were foreshadowed over which a calmer mood might yet prefer to pass the "sponge of oblivion". To him it seemed a statesmen's peace which would need amendment by a "real peace of the people".—The **treaty of peace with Austria** was handed to the Austrian delegation on June 2. The document, as delivered, was incomplete, the terms relative to finance, reparation and frontier boundaries being held in reserve for further consideration. On July 20, however, the Austrian delegates received the full text of the treaty and were given a fifteen-day period in which to file final statements. By the terms of the document, which follows the same outline as the treaty with Germany, Austria is recognized as a republic whose frontiers on the Bavarian, Bohemian and Hungarian sides remain substantially as they were. Trentino, Southern Tyrol, Carinthia and the lower part of Styria go to Italy and Jugoslavia. It is stipulated that Austria recognize the complete independence of the new states formed out of the former Austrian empire as well as those which constituted a part of the former Russian empire. Elaborate provisions are laid down for the protection of minorities. The entire Austrian navy together with arms and ammunition are to be surrendered and Austria is forbidden to build or possess naval or military air forces. Her army is to be reduced to a volunteer organization of 30,000 men. She must make reparation for damages to invaded areas, the Reparation Commission provided for in the treaty with Germany to fix the amount. Each of the states to which Austrian territory is transferred and each of those arising out of the dismemberment of the former empire are to assume part of the pre-war debt. The Allies are

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to receive compensation for ships lost or destroyed in the war. Austria must restore all records, documents and art treasures taken from invaded or ceded territories.—The Bulgarian and Turkish treaties had not been completed at the end of July.

IV. INTERNATIONAL RELATIONS

EUROPEAN AND ASIATIC RELATIONS. — During the past twelve months international relations were for the most part concerned with questions growing out of three major problems: the conclusion of the war, the peace settlement and attempts at world reconstruction. Of these, certain aspects such as shipping, trade, food supply, intervention in Russia and the recognition of newly created states and governments were especially important. — During August and September England, France and the United States, through agreements with the Scandinavian countries, furnished them food in return for the use of shipping. On February 2 the Allies lifted the blockade on the importation of many commodities to Holland and Scandinavia, but the guarantees against reëxportation of commodities to enemy countries continued in effect.—In central Europe the three new independent states, Poland, Czechoslovakia and Jugoslavia (see *infra*, p. 129 *et seq.*), whose combined territories stretch from the Baltic to the Adriatic, were officially recognized by France, Italy, Great Britain and Japan. An informal union or alliance of the newly liberated nations of central Europe was created at Philadelphia on October 26. This **mid-European union,** as it was called, was formed to protect the new states against future aggression by Germany or any reactionary power. — The plan for **joint intervention in Russia** by the United States and Japan, agreed to in July, 1918 (see last Record, p. 28), was officially announced on August 3. The Allies were to make Vladivostok their base and were to coöperate with the Czechoslovaks in a movement for self-government, Russia being assured that the intervening powers had no aggressive designs or territorial ambitions. The military forces were to be accompanied by a relief expedition and a commission of American agricultural and industrial experts, who were to assist in the economic rehabilitation of Russia. The plans were approved in principle by Great Britain, France and Italy, all of which, together with China, sent small contingents of troops to Siberia. Considerable anxiety was manifested by the Allies when it became apparent that the policy of Japan in Siberia was not in accord with that of the Allies; instead of sending 7,000 men as agreed upon the Japanese military party, then in control in Tokio, sent upwards of 70,000. This led to dissatisfaction and dissension, and by November 2 the situation had become so serious that Secretary Lansing, in an interview with Viscount Ishii, Japanese Ambassador, called his attention to the Siberian crisis; as a result a large number of the

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Japanese troops were withdrawn from Siberia and a crisis was averted. — China continued her efforts to maintain her independence and territorial integrity. Japan, in the Lansing-Ishii agreement of November, 1917, promised not to "infringe in any way upon the independence and territorial integrity of China" (see last RECORD, p. 27), and Viscount Uchida, Japanese Minister of Foreign Affairs, expressed the same attitude in an address before the Japanese Parliament on January 21.—A **new crisis** developed in Chinese-Japanese relations when Japan, on February 4, 1919, officially informed China that if the latter chose to regard Japanese wishes at the Peace Conference and refrained from revealing secret Chinese-Japanese agreements, Japan would at once pay 17,000,000 taels, being the unpaid balance of an original loan to China of 20,000,000 taels, but if not, the 3,000,000 taels already loaned must be immediately returned to Japan. China viewed this proposal as a coercive threat, although Japan stoutly repudiated the suggestion. On March 16 the contents of three sets of notes exchanged between China and Japan on September 24, 1918, supplementing the treaty and notes of May 25, 1915, were disclosed. The first set specified the new railways which Japanese capitalists might finance in Manchuria, Mongolia and China proper; the second designated the railways which Japanese capitalists might finance in the Shantung province to connect the existing lines with other principal railway lines in North China; and the third stipulated the conditions under which Japan might participate with China in Shantung affairs.— By the terms of the treaty of 1915 China had bound herself "to recognize all matters that may be agreed upon between the Japanese government and the German government respecting the disposition of all the rights, interests, and concessions which in virtue of treaties or otherwise Germany possesses in Shantung". This agreement was the result of an ultimatum that Japan had previously sent to China early in the month. Following the signing of this treaty of May 25 the Japanese minister declared that when, after the war, the leased territory of Kiao-Chau had been placed at the free disposition of Japan, the Japanese government would return it to China on condition that the bay of Kiao-Chau be opened as a commercial port and that a municipal concession be placed under exclusive Japanese jurisdiction. Other agreements provided for the extension of the Port Arthur lease and for various concessions. — A **joint agreement** for **financing Chinese loans** was effected at Paris on May 12 by American, French, British and Japanese bankers, a reservation being made for later participation by Belgian bankers. At the suggestion of the United States it was provided that the banking groups should combine their interests to make joint financial, administrative and industrial loans to the Chinese government. (See *infra.*)

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AMERICAN RELATIONS. — On September 2 the United States formally recognized that a state of belligerency existed between the Czechoslovaks and the German and Austrian empires; and at the same time it officially recognized the **Czechoslovak National Council** as a *de facto* belligerent government. The same recognition was accorded Poland on November 4; official recognition was extended to the **provisional Polish government** by the United States on January 26. **Jugoslavia** was formally recognized by the United States on February 7.—As **tonnage** steadily increased after the signing of the armistice, the United States War Trade Board announced on February 2 that 87 Dutch ships, then under the control and in the service of the United States, would be returned to Holland immediately and unconditionally. On the same date the Shipping Board announced its readiness to begin at once to release to Scandinavian governments the shipping then under charter or to cancel the contracts and return the vessels direct to their owners. This decision affected 81 Danish, 107 Norwegian and 31 Swedish ships. By an agreement of September 6 all German vessels interned in Peruvian ports were chartered to the United States. — On August 26 a treaty of amity, commerce and navigation was concluded in the city of Washington by representatives of the governments of Ecuador and Japan. — An arbitration treaty was signed by Bolivia and Colombia in November. — On August 27 a treaty was signed by the United States and Uruguay, which provides that a single license fee only may be collected from commercial travelers from either country traveling in the other and also allows samples used by commercial travelers of either country to enter without payment of duty providing bond is given that such samples will be reëxported within six months. Other South American countries have signified their intention to conclude similar arrangements with the United States.—By an agreement dated August 23 the United States and Japan extended for another period of five years the arbitration convention concluded between them in 1908. — Treaties of general obligatory arbitration were ratified by Uruguay with Italy on December 16 and with Great Britain on February 11. — The United States declined an offer of Cuba, made September 11, to send a contingent of troops to Europe on the ground that shipping facilities were inadequate. — Owing to the old dispute between Chili on the one side and Peru and Bolivia on the other, concerning the ownership of Tacna and Arica, two Peruvian provinces which contain rich mineral deposits, Chili and Peru severed consular relations on November 25, and for a time there was grave danger of war; but the United States counseled a peaceful adjustment and war was averted. — Diplomatic relations between Cuba and Mexico were restored.—The second Pan-American Conference on Trade, at which twenty-one republics were represented, convened at Washington early in June.

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V. THE INTERNATIONAL FOOD PROBLEM

War, underproduction and lack of adequate transportation facilities so curtailed the food supply that during the greater part of the period under review famine conditions obtained in Russia, Finland, Poland, Czechoslovakia, Jugoslavia, Armenia and India, while serious food shortage, often approaching the famine point, prevailed in many other sections of the eastern hemisphere. In addition to the various efforts put forth by individual states to ameliorate conditions, the Allies and the United States early in January established a **Supreme Council of Supply and Relief** to deal with questions of food, finance and shipping resources in relation to the transportation of food supplies to the countries in need. In January this council, composed of two representatives, respectively, of France, Italy, Great Britain and the United States, and headed by Herbert C. Hoover as director-general, after a careful study estimated that $400,000,000 would be required to ration the starving peoples throughout the remainder of the winter. Each of the associated countries furnished one-fourth of this sum, and the relief work was organized by establishing a commission, representing the four Great Powers, in each of the countries to be relieved. These commissions aided the government of those countries in maintaining political stability by furnishing food and other necessary supplies. Mr. Hoover was also appointed director-general of the **American Relief Administration** created under the $100,000,000 European Famine Relief Bill, passed by the United States Congress on January 24. The task of feeding the Central Powers was much simplified when on March 8 Germany agreed with the Supreme Council to turn over her shipping for the transport home of American and Australian soldiers, the ships on the return voyage to carry cargoes of food to Germany.

VI. WORLD LABOR AND INTERNATIONAL CONGRESSES

The second **Interallied Labor and Socialist Conference** convened in London in mid-September. This meeting, attended by representatives of all the allied countries, adopted resolutions to the effect that President Wilson's Fourteen Points constituted the only "groundwork for a lasting peace"; that labor should be represented at the Peace Conference; and that a labor charter, outlined by the conference, should be included in the peace treaty. Although M. Kerensky, formerly Russian premier, spoke in favor of allied intervention in Russia, no decision was reached by the conference on this question.— This congress was followed by the **International Labor and Socialist Conference,** which met at Berne on February 4. Eighty delegates representing twenty-seven nations, including Russia, Austria and Ireland, were present. The British, Italian, Swiss and American Socialist parties were not represented and the labor organizations of Bel-

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gium and the United States refused to recognize the conference in any way because of the equal participation in it of delegates from the Central Powers. Mr. Samuel Gompers even declared it to be a Bolshevik meeting. Its work included an ambiguous resolution inferentially condemning Imperial Germany for its responsibility for the war; a general resolution calling for a League of Nations, arbitral courts, disarmament and free-trade; and a resolution declaring for self-determination, plebiscites, protection of minorities, and condemning forced annexation and the determination of frontiers according to military considerations, so-called historic rights or supposed economic necessities. No vote was taken on Bolshevism, which was discussed at length, but all factions agreed that it was expedient to send a Socialist commission to Russia to study the situation. — While this convention was still in session, the **Interallied Trades Union Conference** opened its sessions at Berne. In conjunction with the Socialist conference it discussed international labor legislation and worked out certain demands to be submitted to the Peace Conference, including, among other things, an eight-hour day, restrictions on the work of women and children, emigration of paupers and home work under sanitary conditions.—Meanwhile an official commission, composed of two members each from the United States, Great Britain, France, Italy, Japan and Belgium, and one member each from Cuba, Poland and the Czechoslovak republic, known as the **Commission on International Labor Legislation,** was drafting proposals to be submitted to the Peace Conference. Its recommendations, in two parts, were presented on April 11. The first part, a draft convention, provided for a permanent world labor conference to be linked with the League of Nations; the second part embodied a declaration of permanent principles to govern the conditions of international labor.—In an effort to bring about closer relations between the workers of North and South America, an **International Labor Conference** assembled at Laredo, Texas, on November 13. It was attended by delegates from the United States, Mexico, the Central American countries and Colombia. — In May the **Second International Congress of Women** was held at Zurich, attended by 150 delegates representing 18 countries, including Germany and Hungary. Resolutions adopted and presented to the Peace Conference urged that the blockade be raised to lessen famine; that the treaty be amended to conform with President Wilson's Fourteen Points; that membership in the League of Nations be freely open; that the number of nations to be included in the executive body be not less than 11; that armaments of all states be immediately reduced and conscription abolished in all states joining the League; and that there be absolute self-determination, both territorial and national, free-trade and abrogation of regional understandings like the Monroe Doctrine and "other international engagements".

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VII. THE UNITED STATES

THE ADMINISTRATION.—From the time the nation entered the war until after the armistice was signed President Wilson's cabinet remained intact. Soon after the close of hostilities, however, two important changes occurred. On November 22 announcement was made of the **resignation of William G. McAdoo** as Secretary of the Treasury and Director General of Railroads. On December 5 President Wilson nominated as Mr. McAdoo's successor as Secretary of the Treasury, **Carter Glass** of Virginia, who since 1903 had continuously been the representative in Congress of the Sixth District of Virginia and since 1913 chairman of the important Committee on Banking and Currency. It was largely due to his efforts that the Federal Reserve Act was passed. On January 11 **Walker D. Hines,** Assistant Director-General of Railroads, was appointed to succeed Mr. McAdoo as Director-General (see *supra,* p. 23). On January 12 the **resignation of Thomas Watt Gregory,** Attorney General of the United States, was accepted by President Wilson to take effect on March 4. Mr. Gregory had served as Attorney General since 1914. As his successor, the President appointed **A. Mitchell Palmer** of Pennsylvania, member of Congress from 1909 to 1915 and since October, 1917, Alien Property Custodian (see *supra,* p. 21). Mr. Palmer's successor as Alien Property Custodian is Francis P. Garvin. The filibuster in the Senate during the closing hours of the Sixty-fifth Congress (see *infra,* p. 80) prevented the confirmation of 1,700 nominations, including those of A. Mitchell Palmer and John Skelton Williams, Comptroller of the Currency, who received recess appointments. On March 9, Mr. Williams resigned his position as Director of Finance and Purchases in the Railroad Administration. On May 19 Secretary Glass appointed R. G. Cholmeley-Jones to be head of the War Risk Bureau (see *supra,* p. 27). — On August Secretary Baker appointed Mr. John D. Ryan as Second Assistant Secretary of War. Since May Mr. Ryan had been Director of the Aircraft Production Board (see *supra,* p. 19). On the same day First Assistant Secretary of War Crowell was designated to act as Director of Munitions. — On December 19 President Wilson nominated Joseph B. Eastman as member of the Interstate Commerce Commission to take the place of George W. Anderson, resigned.—On October 24 Albert Strauss was confirmed as successor to Paul M. Warburg on the Federal Reserve Board. — Huston Thompson succeeded William J. Harris, resigned, on January 9, as member of the Federal Trade Commission.—On July 11 Edward N. Hurley resigned as chairman of the United States Shipping Board, and John Barton Payne of Chicago was nominated as a member of the board. Basil M. Manley succeeded Frank P. Walsh as joint chairman of the National War Labor Board.—A number of important changes occurred in the personnel of the United States **diplomatic service.** On Septem-

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ber 18 John W. Davis, Solicitor General, was selected to succeed Walter Hines Page, resigned, as United States Ambassador to Great Britain.—On February 14 the resignation of William G. Sharp as ambassador to France was announced and on the following day President Wilson nominated Hugh C. Wallace of Washington as his successor. —On June 16 the President nominated Norman Hapgood as minister to Denmark, Richard Crane as minister to Czechoslovakia, Hugh S. Gibson as minister to Poland and on July 10, H. Percival Dodge as minister to the Serbs, Croats and Slovenes.—As soon as the armistice was signed speculation as to whom President Wilson would appoint as United States delegates to the Peace Conference began. It was not, however, until shortly before the President sailed for France on December 4 that the people were informed of the names of their representatives. The delegates chosen to aid the President were Secretary Lansing, General Tasker H. Bliss, Col. Edward M. House and Mr. Henry White. The President was severely criticized by many for his failure to appoint representatives of the Senate and for his failure to appoint at least one representative member of the Republican party.—The peace delegation was accompanied by a large staff of experts and authorities on history, economics and geography and international law who for many months had been compiling data for the use of the conference. Upon the return of President Wilson and Secretary Lansing from the Peace Conference early in July, Frank L. Polk, Acting Secretary of State, went to Paris to act as a member of the American peace delegation. — As soon as the Sixty-sixth Congress convened the Republican majority appointed committees to investigate the work of a number of government departments and agencies (see *infra*, p. 87). — During the course of the war the Department of Justice secured the conviction of numerous persons for **conspiracy and sedition.** On June 30, 1918, Eugene V. Debs, four times Socialist candidate for president, was arrested on the charge of violating the Espionage Act. On September 14 he was found guilty and sentenced to imprisonment for 10 years. On March 10, the Supreme Court of the United States upheld the conviction (see *infra*, p. 87). On January 16 forty-six members of the I. W. W. were found guilty of conspiracy in the federal district court at Sacramento, California.

CONGRESS. — The Sixty-fifth Congress, which lasted with but slight interruptions from April 2, 1917, to March 4, 1919, devoted itself almost exclusively to war legislation (see last RECORD, pp. 29-35). The **second session** opened December 3, 1917, and closed November 21, 1918.—In order to increase the number of men subject to military service the Administration, on August 5, secured the introduction of the **Man Power bill** to amend the Selective Service Law so as to include all males between the ages of 18 and 45 inclusive within its

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provisions (see *supra*, p. 16). On August 21 the bill was reported to the House by the Committee on Military Affairs with amendments requiring that men between the ages of 20 and 45 should be called first and those of 18 last (the McKenzie amendment); that soldiers not yet 21 might receive commissions; and that the Secretary of War be allowed to assign for special training to educational institutions soldiers from 18 to 21 years, their tuition expenses to be assumed by the government. The McKenzie amendment was rejected, 194 to 147, and on August 24 the House passed the bill, 336 to 2. The Senate committee reported a **"work or fight" amendment** (the Thomas amendment) providing that persons placed in a deferred or exempted class on the ground of employment in essential war industries should not be entitled to remain therein unless they continued, while physically able to do so, in such employment. The adoption of this amendment was opposed before the House Committee by Frank Morrison, Secretary of the American Federation of Labor, as an attempt to conscript labor. The House decisively defeated the "anti-strike" proposal, but the Senate sustained it by a vote of 40 to 29, after it had been modified so as not to apply in the case of a strike if the workers agreed to continue at work pending the decision of the War Labor Board. On August 27 the bill was approved as amended, 75 to 0. In conference the Thomas amendment was stricken out altogether. The bill then passed the Senate unanimously on August 27 and was signed by the President on August 31.—Early in the session the advocates of **national prohibition** secured the passage of a constitutional amendment establishing national prohibition. (For the action of the states, see *infra*, p. 90.) The **Food Production bill,** finally approved on November 21, was designed to stimulate the production and distribution of agricultural and other food products and to eliminate waste in their use. To this bill the friends of prohibition attached a rider which prohibited the use of grains or other foodstuffs in the manufacture of malt and vinous liquors after May 1, 1919, until the end of the period of demobilization, and the sale of liquors after June 30, 1919. This bill had passed the House on May 23, 1918, by a vote of 231 to 64, but not until the Randall amendment, providing that only one-half the appropriation carried by the bill should be available if the President failed to prohibit the use of foodstuffs in the production of beers and wines, had been accepted by a vote of 178 to 137. During June the Senate Committee on Agriculture held hearings at which divergent views respecting war-time prohibition were voiced. Among those who opposed the measure were Bainbridge Colby of the United States Shipping Board, Postmaster-General Burleson, Herbert Hoover and President Wilson himself. In spite of the objections raised the Senate committee reported a prohibition amendment, and the Senate on July 10 sustained, by a vote of 36 to 33, the Gore sub-

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stitute amendment, which proposed to forbid the manufacture of beer and wine after November 1, 1918, and until the end of the war, and the sale of whiskey, wine and beer after December 31. The President finally succeeded in persuading Senator Sheppard, the leader of the prohibition forces, to change the dates fixed in the amendment. These changes, known as the Sheppard substitute, were accepted by the Senate on August 29. The Food Production bill prohibiting the manufacture of beer and wine after May 1, 1919, and the sale of all intoxicating liquors after July 1, 1919, until the completion of demobilization, was approved by the Senate on September 6. The Senate amendment was accepted by the House on September 23, 171 to 34. The conference came to an agreement on November 18, and the President approved it on November 21 (see also Prohibition, *infra*, p. 91).—Another important question of public policy which gave the members of Congress much concern was the **Susan B. Anthony suffrage amendment.** This measure had passed the House by exactly the required two-thirds vote on January 10, 1918 (see last RECORD, p. 34). The Democrats were divided almost equally on the measure, but the Republicans voted affirmatively 5 to 1. There was long delay in calling up the resolution in the Senate because its advocates saw little hope of carrying it. But in the meanwhile the suffrage lobby was engaged in bringing tremendous political pressure to bear upon senators opposed to the amendment. Besides, the President made no secret of his desire that the resolution pass. The debate began in the Senate on September 26 and at once made clear the position southern senators would take, when Senator Williams of Mississippi moved to amend by inserting the word "white" before the word "citizens". On the 30th the President appeared before the Senate to urge the adoption of the amendment on the ground that it "was vitally essential to the prosecution of the great war of humanity". But the resolution failed, the vote on October 1 being 53 to 31, three less than the required two-thirds. There were 26 Democrats for and 21 against the amendment. Twenty-seven Republicans voted *yes* and only 10 *no* (see *infra*, p. 79).—The immensity of the work undertaken by the United States in its conduct of the war may be judged from the fact that the **appropriations** made by the Sixty-fifth Congress amounted to a total of over $50,000,000,000.—Soon after the second session began it was recognized that changes in the War Revenue Act of October 3, 1917 (see last RECORD, p. 30), would be necessary to meet the expenditures of the government. Moreover, certain sections of that act, such as the "salaries tax" and the second-class mail section, were very unpopular. As early as January 5 Senator Smoot had introduced a bill which he desired to substitute for the War Revenue Act. His bill contained radical modifications of the income and excess-profits sections and provided

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for the elimination of the zone system of the second-class mail section. On June 7 the Ways and Means Committee settled down to public hearings on the $8,000,000,000 revenue bill proposed by Secretary McAdoo, and Congress reluctantly abandoned its hope of an early adjournment. The hearings on the bill continued throughout July and August, Congress remaining in session with three-day adjournments. On September 3, Chairman Kitchin introduced a **War Revenue bill** into the House. It followed the general features of the previous revenue laws and sought to secure larger returns by increasing the rates levied rather than by introducing new sources of taxation, though a number of such new sources were used. War profits and excess profits were to yield $3,200,000,000; individual incomes and corporation incomes, $2,464,000,000; liquors, $1,140,000,000; and miscellaneous, stamp and consumption taxes, the rest of the $8,000,000,000. The bill was taken up in the House on the 9th. Republican members criticized it on the ground that it placed undue burdens upon the present generation. Only minor changes were made, however, and on September 20 the House approved the bill without a single opposing vote. On the day following it was received by the Finance Committee of the Senate. The Finance Committee showed little haste in reporting it to the Senate even after the Secretary of the Treasury had urged speedy action. A strong attempt was made to reduce the profits-tax section, and it was claimed that to attempt to raise one-third of the money required by taxation was as unwise as it was unprecedented. The proposed tax on automobiles was greatly reduced; the luxury taxes were eliminated; the rates on liquors were lowered; and the war- and excess-profits schedules were materially altered. The committee was still considering the bill on November 14 when Secretary McAdoo, because of the signing of the armistice, brought forward recommendations for the reduction and elimination of certain items so that the total yield of the act might be reduced to six billions. The second session came to a close on November 21, the revenue bill and the suggestions of the Treasury Department still being before the Finance Committee. — The third or **short session** of the Sixty-fifth Congress convened on December 2. On the day before he left for France President Wilson delivered his **annual message** to Congress. He failed to meet the hope of many that he would outline his views relative to the peace settlement, but merely announced that it was his purpose to attend the Peace Conference in Paris. He urged the passage of the suffrage amendment; commended the proposals of the Secretary of the Treasury for a $6,000,000,000 revenue bill for 1919 and one of $4,000,000,000 for the year following; called attention to the need of an early decision on the railroad question; approved an enlarged naval building program; and supported the proposal of the

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Secretary of the Interior for a reclamation project for the establishment of homes for returning soldiers. — The **War Revenue bill** (see *supra*, p. 77) with the modifications made by the Finance Committee was finally presented to the Senate on December 6. The clause proposing to raise $4,000,000,000 for the year 1920 caused Republicans much concern, but their objections were overridden by a strict party vote of 37 to 31 on December 21. The Senate restored the semi-luxury taxes which the Finance Committee had struck out but reduced them from 20 to 10 per cent. Just before the vote in the Senate, Senator La Follette's substitute measure to raise $9,000,000,000 by taxation, $5,000,000,000 of which was to come from corporation war profits, was defeated by a vote of 54 to 6, those favoring it being Borah, Gronna, La Follette, Norris, Nugent and Vardaman. The manufacturers' sale tax on motor tractors, trailers and trucks was eliminated, as was also the zone system of postage on second-class mail matter. One of the most important amendments adopted by the Senate was the provision which imposed an additional tax of 10 per cent. on the profits of industries employing the **labor of children.** The bill finally passed the Senate on December 23. It was not until February 13 that it passed Congress by an almost unanimous vote as amended first by the Senate and then in conference. The President signed the measure on February 24. Most of the Senate amendments were retained by the conference. In the matter of higher rates on corporation incomes and in the second-class postage rates, however, Mr. Kitchin succeeded in defeating the Senate conferees. The bill provides for raising the largest amount of money ever demanded in any country. The final estimate is that it will bring in $6,070,000,000 for 1919 and $4,000,000,000 for 1920. The major portion of this immense sum will come from exceedingly heavy taxation of large individual and corporate incomes. The new individual income tax raises the normal tax from 2 to 6 per cent. on incomes less than $4,000 and to 12 per cent. on those in excess of that amount. There is an exemption of $1,000 for single and $2,000 for married persons. Surtaxes begin at $5,000 in which case the rate is 1 per cent. and are graduated so as to reach 65 per cent. on that portion of an income in excess of $1,000,000. Corporations must pay a rate of 12 per cent. on the net income above the credits allowed and must also pay on excess and war profits if there be such.—Because of the determination of certain senators to debate the League of Nations Covenant, the desire to force the President to call an extra session of the Sixty-sixth Congress and a determined **filibuster** in the Senate on the last day, a number of important appropriation bills failed to pass. These were: Third Deficiency, $776,000,000 (including $750,000,000 for railroads); Sundry Civil, $851,000,000; Agricultural, $37,000,000; District of Columbia, $11,500,000; Army, $1,240,000,000;

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Naval, $820,000,000; and Indian, $11,000,000—making a total of $3,746,500,000. The failure of the deficiency bill caused the greatest concern because out of it were to be met the immediate needs of a number of departments for the rest of the year as well as the pressing requirements of the Railroad Administration (see *supra*, p. 25).—The House on February 18 defeated a "rider" providing for an army of 500,000, which had been attached to the **regular army appropriation bill** at the request of the Administration, and on the same day accepted the proposal of the Senate for the resumption of voluntary enlistments in an army of 175,000 allowed by the act of 1916.—On February 8 the Senate defeated Senator Borah's amendment to the Post-Office bill providing for the repeal of that part of the Espionage Law which authorizes the Postmaster General to censor publications by denying them access to the mails.—The **Rivers and Harbors bill** as passed by the House carried appropriations approximating $27,000,000. To this the Senate added $6,000,000.—The **Victory Loan bill,** passed on March 2, provided for a loan of $7,000,000,000 in the form of notes of from one to five years and also amended the War Finance Corporation Act (see last RECORD, p. 34) by giving that corporation power to promote foreign commerce and by extending its life for one year after the proclamation of peace.—On February 22 the bill **guaranteeing to farmers $2.26 per bushel** for this year's wheat crop passed the House by a vote of 277 to 14. The Senate concurred after minor amendments had been accepted.—In July, 1918, the House had passed a bill providing for the next national census. The bill was passed at the end of the third session without a provision for civil service appointments. Near the end of the session Senator New of Indiana moved the following "rider" to the **Census bill:** "That hereafter in making appointments to clerical and other positions in executive departments and independent governmental establishments preference shall be given to honorably discharged soldiers, sailors, or marines, and the widows of such, if they are qualified to hold such positions." The Senate approved and it was later accepted by the House.—On January 16 the Senate, by a vote of 50 to 21, dismissed the **charges** which had been lodged against **Senator La Follette** of Wisconsin (see last RECORD, p. 30).—At the urgent request of President Wilson the House on January 13 passed a bill appropriating the sum of $100,000,000 to be used in **purchasing food** for the starving millions in the war-devastated regions of Europe. The Senate passed it on January 24 by a vote of 53 to 18.—The advocates of the federal **woman suffrage amendment** made another attempt to secure a favorable vote during the last session of the Sixty-fifth Congress. On February 10 the Senate by a vote of 55 to 29 again refused to submit the amendment to the states. In spite of the urgent cabled appeal of President Wilson that the amendment be adopted, the majority of southern Democrats voted

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in the negative, standing for the principle of states rights.—Senator Johnson's resolution demanding the **withdrawal of American troops from Russia** was tabled on February 14 by the casting vote of the Vice-President.—After the publication of the draft of the **Covenant of the League of Nations** on February 14, senators gave considerable attention to its provisions. Republican senators were outspoken in their criticism of the plan, which appeared to them not only to violate the Monroe Doctrine but also to surrender American independence. Senators Poindexter, Reed, Sherman, Lodge and Knox were among the opponents of the Covenant. President Wilson's conference with the Foreign Relations Committees did not seem to influence Republican members to change their point of view. Senator Lodge criticized the vagueness of the language of the draft and suggested amendments preserving the Monroe Doctrine, providing for the complete exclusion from the jurisdiction of the League of such questions as are involved in regulating immigration and naturalization, allowing peaceful withdrawal from it, and defining more accurately the methods to be used by the league in enforcing its decisions. Just before the Congress adjourned thirty-seven members of the Sixty-fifth Congress signed a **round robin** in support of the stand taken by Senator Lodge and in favor of his resolution to the effect that the constitution of the League of Nations "in the form now proposed to the Peace Conference should not be accepted by the United States", and that the proposal for the establishment of the League be taken up for careful and serious consideration after a satisfactory peace treaty had been negotiated. The President, just before his return to Paris, said: "When that treaty comes back, gentlemen on this side will find the Covenant not only in it, but so many threads of the treaty tied to the Covenant that you cannot dissect the Covenant from the treaty without destroying the whole vital structure."—The final session of the Sixty-fifth Congress ended in a **filibuster** conducted by Senators Sherman, La Follette and France (see *supra*, p. 78).—After the United States entered the war both political parties preserved a **non-partisan spirit** in the conduct of public affairs. President Wilson had declared politics adjourned. Nevertheless, as the year advanced the party leaders became more active in preparing their organizations for the fall contest. Vance McCormick continued as **chairman of the Democratic National Committee** and Will Hays of Indiana was chosen **chairman of the Republican National Committee.** Mr. Hays threw himself wholeheartedly into the work of securing the election of a Republican Congress, declaring: "The Republican Party has always been a war party and its success will aid the progress of the war, for we demand an even more vigorous prosecution of it than do the Democrats." President Wilson openly aligned himself against certain Democratic candidates who had opposed his war policies and

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secured the defeat of Representatives Slayden of Texas and Huddleson of Alabama, and of Senators Vardaman of Mississippi and Hardwick of Georgia. In New York, Democrats and Republicans combined in four districts and thus secured the defeat of the Socialist anti-war candidates, among whom were Congressman London and Morris Hilquit.—The **campaign** was late in getting under way. Ten days before the election, however, on October 25, President Wilson gave a decided stimulus to partisan activity by his unprecedented **appeal** to the voters of the country **for the election of a Democratic Congress.** He admitted that the Republican minority in Congress had been "unquestionably pro-war" but blamed them for being "anti-administration" and seeking to take the choice of policy and the conduct of the war out of his hands and desiring "not so much to support the President as to control him". He contended that it was no time for divided counsels or leadership or for "contest and obstruction", and held that the return of a Republican majority to either house of Congress would be considered on the other side of the water as a repudiation of his leadership. This partisan appeal of President Wilson roused Republican leaders to a high state of party excitement. The next day they issued a ringing rejoinder. They rebuked the President for sending out a party appeal after he had declared politics adjourned, and for calling upon his countrymen to vote for Democrats, without reference to whether they had been in favor of war measures. They claimed a better war record than that of the Democrats. In a speech at Carnegie Hall ex-President Roosevelt severely denounced the President for his appeal and on October 31 joined with ex-President Taft in a joint appeal to the country for the election of a Republican Congress. In this statement the two ex-Presidents criticized President Wilson for the vagueness of his Fourteen Points and for his exchange of notes with Germany, which "caused a deep concern among our people lest he may by his parleying concede her a peace around a council table instead of a sentence from a court". The Democrats came to the defense of the President and pointed to the great war and peace measures successfully carried through by their party.—The election resulted in a **Republican victory** in both houses of Congress. The Democratic majority of 5 in the House was replaced by a Republican majority of 45; the Democratic majority of 6 in the Senate, by a Republican majority of 2. The more striking results in the senatorial elections were the defeat of **Henry Ford** by Commander Newberry in Michigan; the defeat of **Senator Weeks** by David I. Walsh, Democrat, in Massachusetts; the defeat of **Senator James Hamilton Lewis** by Medill McCormick, Republican, in Illinois; and the reëlection of Senator Norris, accused of pacifism, in Nebraska. Republicans gained seats in the House in Kansas, Pennsylvania, Maryland, New Mexico, Missouri, Rhode Island and

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Michigan, while Democrats gained in New York and New Jersey. All Socialist candidates in New York were defeated. Victor Berger of Wisconsin was the only Socialist elected to the House.—In February the Republican caucus chose Frederick H. Gillett as the Republican candidate for **Speaker of the House.** He defeated his rival James R. Mann by a vote of 138 to 69. This was generally considered a victory for the liberals, but in spite of his defeat for the speakership, Mr. Mann, through his control over the Committee on Committees, became the dominating personality in the House organization. In organizing the Senate the Republicans faced a similar difficulty of reconciling conservatives and radicals. Considerable opposition had developed to Senator Penrose and certain other conservatives whom the **rule of seniority** would place at the head of important committees. But in the end, the conservatives were generally successful.—The **special session of the Sixty-sixth Congress** opened on May 19 in response to President Wilson's call cabled from Paris. The Republicans organized both houses, coming into control again after having been in the minority eight years in the House and six years in the Senate. Albert B. Cummins of Iowa was chosen President, *pro tem.* of the Senate and Frederick H. Gillett of Massachusetts, **Speaker of the House.** The **party leaders** on the floor of the Senate are Henry Cabot Lodge of Massachusetts for the Republicans and Thomas S. Martin of Virginia for the Democrats. Frank W. Mondell of Wyoming is the **Republican leader** in the House, and Champ Clark of Missouri is the **Democratic leader.**—The House refused to seat Victor L. Berger, the Socialist congressman-elect from Milwaukee, on the ground that he had been convicted of disloyalty. By a strict party vote of 49 to 42 the Republican caucus slate for committee chairmanships was adopted by the Senate on May 28, the opposition of the progressive Republicans to Senator Penrose as chairman of the Finance Committee having proved ineffectual.—On May 20 the President's message cabled from Paris was read by the clerks in the Senate and the House. It urged the progressive improvement of labor conditions through the genuine democratization of industry; the creation of land settlements for returned soldiers and sailors; the maintenance of the federal employment service; the building up of the shipping industry and the encouragement of American foreign trade; the adjustment of taxation so that it might rest as lightly as possible on the productive resources of the country; the increase of the tariff on dyes and chemicals to prevent the competition of German products; the passage of the federal woman suffrage amendment; the return of the railroads at the end of the year and the telephones and telegraph systems as soon as practicable; and the repeal of wartime prohibition on the ground that demobilization had progressed sufficiently to make it safe to allow beers and

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wines to be sold.—The first legislative action taken by the House was the **passage of the suffrage amendment,** the vote on May 21 being 304 to 89. The amendment passed the Senate on June 4 by a vote of 56 to 25 (see *infra*, p. 91).—Immediately upon reassembling, members of the Senate resumed their discussion of the **League of Nations Covenant,** a number of Republican senators making bitter attacks upon it. On June 9, a stormy debate was precipitated by a cablegram from President Wilson to Secretary Tumulty stating that the President was not inclined to submit the treaty to the Senate at that time. Thereupon Senator Borah moved that a copy of the treaty which had come into his possession be printed in the Record. The motion was adopted after an acrimonious debate.—On June 10, through a **resolution offered by Senator Knox** of Pennsylvania, a member of the Foreign Relations Committee, the opponents of the League of Nations Covenant made a move to separate it from the treaty of peace, though the President had declared this to be impossible (see *supra*, p. 80). The Knox resolution was reported by the Senate Foreign Relations Committee on June 12. On June 17 Senator Knox, speaking in its favor, declared that his purpose was to give the United States an opportunity to study the League Covenant so that a deliberate decision might be reached upon the wisdom of becoming a member of the League which he declared would sacrifice American sovereignty. There was considerable debate upon the resolution, but as the time for handing the final draft of the treaty to the German representatives approached, it became evident that it could not be passed. Opponents of the resolution pointed out that its adoption would only encourage the Germans to refuse to sign. On June 22 Senator Lodge intimated that the fight for the resolution had been abandoned. The Republican majority found it impossible to agree upon a definite line of action, some being inclined to favor the League Covenant, many others to see it modified in certain particulars, and still others to assume a definitely hostile attitude toward it. This lack of agreement among the Republicans seemed to create unity among the Democrats, who with few exceptions stood firmly for the Covenant. Fearing the effect of Republican opposition to the League upon the public opinion of the country, a number of prominent Republicans, among them ex-President Taft, George W. Wickersham and Oscar Strauss, in **a letter addressed to the senators from New York,** urged that political partisanship should have no place in the consideration of the proposed League of Nations and advised the Senate to ratify the Covenant promptly without attempting to embarrass it by amendment.—On June 21 Senator Lodge made public a **letter of Elihu Root** written in reply to a request for Mr. Root's opinion relative to the Covenant. The letter advised that since important objections raised by opponents of the League had not been given consideration in the

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redraft of the Covenant, the proper way to emphasize those objections would be through a **qualifying resolution** adopted with the ratification of the treaty. Mr. Root expressed himself in favor of the Knox resolution, but in the event of the Covenant not being separated from the treaty he advised a qualifying resolution. The reservations which he suggested were: that in ratifying the treaty the Senate repudiate Article X of the Covenant; that the United States ratify the treaty with the understanding that it should have the right to secede from the League on two years' notice whether its international obligations under the Covenant had been fulfilled or not; and that the United States ratify with the understanding that in so doing it would not relinquish its traditional attitude toward purely American questions, or deem it necessary to submit its policy regarding purely American questions to the decision or recommendation of other powers. With Mr. Root coming into the breach, the attack of the opponents of the Covenant shifted from the attempt to separate it from the peace treaty to the attempt to modify it when the President should see fit to submit it. — On July 8 President Wilson returned from Paris and two days later, in an **address** devoted almost wholly to the League of Nations, formally presented to the Senate the **peace treaty** signed by Germany. He claimed that a league of free nations had become a practical necessity, to which the framers of the treaty felt obliged to turn "as an indispensable instrumentality for the maintenance of the new order it was their purpose to set up in the world". The fact that the Covenant of the League was the first substantive part of the treaty to be worked out and agreed upon had helped to make the formulation of the rest easier. The Covenant was "not merely an instrument to adjust and remedy old wrongs under a new treaty of peace; it was the only hope for mankind". In opening his address the President placed his services and all the information he possessed at the disposal of the Committee on Foreign Affairs "any time, either informally or in session", as the committee might prefer. He announced that he would presently lay before the Senate the special treaty with France. The peace treaty was at once referred to the **Committee on Foreign Relations.** Debate over the ratification of the treaty began on July 14 with a speech by Senator Swanson of Virginia in support of the League. The senator urged that the Covenant be accepted without reservations and insisted that if any were adopted the entire treaty would have to go back to the Peace Conference. He thought reservations would have the effect of amendments which would not be binding until subscribed to by the other powers. The reservations proposed he held to be unnecessary. He denied that the Covenant surrendered our sovereignty, defended Article X and insisted that the Covenant safeguarded the Monroe Doctrine.—During the debate over the **Shantung settlement,** on July 15, Senator Lodge

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spoke of the Chinese-Japanese treaty of 1915 as "extortion". Senators Norris, Borah, McCormick and Fall, Republicans, bitterly attacked the Shantung settlement, while Senators Hitchcock and Williams, Democrats, defended it. — On July 16 it was announced that President Wilson would begin a series of **conferences with Republican senators** on the following day at the White House, his purpose being to lay before the opponents of the Covenant information on those provisions to which objections had been made. — On July 17, in the Senate, Senator Borah proposed a referendum vote on the League Covenant and the Shantung award as a guide to the Senate.—On the following day President Wilson addressed a letter to Senator Lodge, chairman of the Foreign Relations Committee, asking the committee's approval of a **provisional appointment** of a United States representative on the **Reparation Commission** (see *supra*, p. 55). On July 22 the committee rejected the proposal.—On July 23, a plan of ex-President Taft for "interpretations" in the Senate's acceptance of the Covenant was made public. **Mr. Taft's suggestions** created a sensation in the Senate because of his well-known advocacy of unreserved ratification. His suggestions, which were put forward in a letter to Will Hays, were similar to those proposed by Mr. Root, except that they provided that self-governing dominions be not represented on the council with the mother country and for the possible withdrawal of the United States after ten years. Mr. Taft's suggestions utterly failed to bring together the President and his opponents, or even the Republican opponents of the Covenant, who seemed as far from agreement at the end of July as they had been when the treaty was submitted to the Senate. The President was making preparations at the end of July for an **extended speaking tour** in behalf of the League of Nations. — On June 6 the House Committee on Military Affairs completed the annual **Army appropriation bill** carrying $800,000,000; the bill sent to the Senate during the previous session had carried $1,117,000,000. On June 16 the Secretary of War and the Chief of Staff appeared before the Senate Committee on Military Affairs and advocated an army of 500,000 men. The Senate voted a week later for an army of 400,000. The House had provided for only 300,000, but on June 27 conferees agreed to compromise on an **army of** 325,000 and an appropriation therefor amounting to $772,300,000. On June 12 the **naval appropriation bill** carrying $601,500,000 was reported to the House; the Senate bill reported on June 23 carried $646,272,000. The bill as approved carried $616,000,000. The other appropriation bills left over by the Sixty-fifth Congress and passed before July 1, the beginning of the fiscal year, were: Agricultural, $33,900,000; District of Columbia, $15,364,000; Indian, $11,131,000; Sundry Civil, $605,160,000; Railroad Deficiency, $750,000,000; Third Deficiency, $24,305,000, exclusive of $45,000,000 urgent deficiency appropriations for the Bureau of

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War Risk Insurance and Pensions. These eight bills as passed by the Sixty-sixth Congress carried $940,610,598 less than they had as they stood at the end of the previous session. During the debates on appropriation bills attempts to strike out the appropriation for the United States Tariff Commission and to cut down the appropriation for the work of the Federal Trade Commission were unsuccessful.—The agricultural appropriation bill as passed by Congress contained a rider repealing the **daylight saving law.** Because of this, President Wilson vetoed the entire measure. The House failed to pass the bill over the veto and then passed it without the rider. The President also sent back to Congress the Sundry Civil bill on the ground that it did not adequately provide for **vocational rehabilitation.** Several millions were then added.—The Senate and House agreed upon August 1 as the date for the **transfer of the "wire" systems** to their owners Federal control lasted just one year. — On July 29 the House, after a partisan debate, adopted a resolution directing the Secretary of War "to place on sale, without delay, the surplus food products in the hands of or under the control of the War Department.—The **Volstead Prohibition Enforcement bill** passed the House on July 22 by a vote of 287 to 100, practically as reported from committee. The bill defines intoxicating beverages as those that have one-half of one per cent. or more of alcohol, forbids the possession of liquor evidently for the purpose of sale in violation of the law and places the burden of proof on the possessor, permits the possession of liquor in private homes but only for personal consumption of the owner, his family and *bona fide* guests. It provides for the enforcement of the constitutional amendment and the war-time prohibition act in practically the same manner, such enforcement in both cases resting with the Internal Revenue Bureau and the Department of Justice, and gives the officers under the search-and-seizure section the right to enter a dwelling in which liquor is sold and seize it together with manufacturing apparatus. Punishment for the first violation is $1000 or six months' imprisonment. A strong attempt was made by the radicals to make all possession of liquors an offense. It failed, however, on account of the prevailing sentiment against offensive searches and seizures in private houses. — On June 6 the Senate by a vote of 60 to 1 adopted Senator Borah's resolution asking the American delegates at the Peace Conference to secure **a hearing for the Irish delegates,** headed by Eamonn de Valera, and expressing sympathy for the Irish people in its aspiration for "a government of its own choice".—Among the important bills pending in Congress at the end of July were the **Lane-Mondell land bill** for returning soldiers, the **Kenyon-Anderson bill** to regulate the packing industry and a number of important bills providing for the establishment of a **budget system.** — Shortly after the assembling of the new

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Congress the House appointed a select committee to **investigate expenditures of the War Department** with Congressman Graham of Illinois as its chairman. Many regular committees also were given special investigative powers.

FEDERAL JUDICIARY.—Among the important decisions of the United States Supreme Court were the following: The First Amendment, guaranteeing freedom of speech and of the press, does not protect an individual convicted under the **Espionage Act** for printing and distributing in time of war a document calculated to cause insubordination in the military and naval forces and obstruction to the recruiting and enlistment service. "When a nation is at war many things that might be said in time of peace are such a hindrance to its effort that their utterance will not be endured so long as men fight and that no Court could regard them as protected by any constitutional right" (Schenck *v.* United States, 39 S. C. R. 247). Nor does it protect a person convicted of conspiring to violate that act by means of publishing and circulating, in a newspaper, articles attempting to cause disloyalty, mutiny and refusal to do duty in the military and naval forces, since the amendment obviously was not intended to give immunity for every possible use of language (Frohwerk *v.* United States, 39 S. C. R. 249). Nor is it a valid defense against conviction under that act for delivering a speech opposing war and so expressed that its natural effect is to obstruct recruiting (Debs *v.* United States, 39 S. C. R. 252).—The **Harrison Narcotic Drug Act,** which seeks to confine the handling of narcotic drugs to certain specified dealers by requiring registration with the Commissioner of Internal Revenue and the payment of an excise tax and by prohibiting the sale of such drugs except upon written order upon blanks furnished by the commissioner, is a valid exercise of the power of Congress to impose excise taxes and is not a mere attempt to exercise the reserved police power of the states. The motives of Congress in passing the act are not subject to judicial inquiry (United States *v.* Doremus, 39 S. C. R. 214).—A state law imposing a penalty for the sale of condensed milk unless made from unadulterated full cream milk does not contravene the Fourteenth Amendment nor does its indirect effect on interstate commerce invalidate it (Hebe Co. *v.* Shaw, 39 S. C. R. 125).—A city ordinance **restricting the area of billboards** to 400 square feet, the height to 14 feet, requiring a space of 4 feet between them and the ground, forbidding them nearer than 6 feet to any building or side of a lot *etc.*, does not constitute an unreasonable and unconstitutional limitation on liberty or property but is a valid police regulation in the interest of "safety, morality, health and decency". Nor do certain trifling details having æsthetic considerations in view render the ordinance invalid (St. Louis Poster Advertising Co. *v.* St. Louis, 39 S. C. R. 274).—An order of a State Railroad and Warehouse Commission re-

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quiring a railroad company **to extend a side track** from its main line to a manufacturing plant, partly at its own expense, does not violate the Fourteenth Amendment as taking the company's property for private use, nor does such order violate said amendment as taking the company's property for public use without due compensation, a hearing before the commission and in the district court having been allowed (Chicago & N. W. Ry. Co. *v.* Ochs, 39 S. C. R. 343).—A city acting under state authorization may, without violating the Federal Constitution, impose a **license tax** restricted to the right to do local business where such tax does not burden or discriminate against interstate business and when the local business is so substantial that it does not clearly appear that the tax is a disguised attempt to tax interstate commerce. Such a tax is a valid exercise of the police power for revenue purposes even though it may necessitate a contribution from interstate business (Postal Telegraph-Cable Co. *v.* Richmond, 39 S. C. R. 265).—A state may under its police power pass proper **inspection laws** for oils brought within its borders in interstate commerce and charge a fee reasonably sufficient to pay the cost of inspection (Pure Oil Co. *v.* Minnesota, 39 S. C. R. 35); but inspection fees when grossly in excess of the cost of inspection are unconstitutional in that they impose a direct burden upon interstate commerce (Standard Oil Co. *v.* Graves, 39 S. C. R. 320).—A state law allowing **insurance brokers' licenses** only to residents of the state who have been licensed insurance agents of it for two years does not, as to a citizen of another state, violate the constitutional guarantee that citizens of each state shall be entitled to all privileges and immunities of citizens in the several states, since there is no discrimination on account of citizenship at all, citizens of the state and of other states alike being obliged to meet the same residence requirements (La Tourette *v.* McMaster, 39 S. C. R. 160).—A railroad company whose charter provides that its property shall be taxable only in a certain way and to a certain amount cannot be burdened with **additional taxes** by a subsequent constitution of the state without impairing a contract obligation (Central of Georgia Ry. Co. *v.* Wright, 39 S. C. R. 181).—A city may require a street railway to remove the tracks of lines the franchise for which has expired but cannot without denying due process require the continuance of service thereon on terms not allowing a reasonable return on the investment. Moreover, the **obligation of the franchise contract** for a company's line, fixing the fare at five cents without transfer, is impaired in the case of a continuous trip beginning on a non-franchise line and extending over it and a franchise line by an ordinance requiring all this service for five cents (Detroit United Ry. Co. *v.* Detroit, 39 S. C. R. 151).—Though authority to place a railroad track on a street constitutes a vested property right, it is subject to police regulations reasonably necessary for public safety; hence an

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ordinance requiring its removal because of interference with public travel is not repugnant to the obligation of contract or due process clause; nor does such ordinance violate the commerce clause where it involves no discrimination against interstate commerce though it may incidentally affect such commerce (Denver & R. G. Co. *v.* Denver, 39 S. C. R. 450). — A **state tax upon cars of a foreign corporation** employed in the state, computed by taking as their assessed value a sum bearing the same ratio to the value of all its cars that the miles of road in the state over which the cars move bears to the total mileage so traversed in all states, is arbitrary, results in grossly excessive valuation, violates the Fourteenth Amendment as to due process and also constitutes an undue burden on interstate commerce (Union Tank Line *v.* Wright, 39 S. C. R. 276).—A shipment of rough material from the forest to the mill, both within the same state, is not interstate commerce nor beyond the rate-making power of the state, though 95 per cent. of the finished product be eventually sold without the state, there being **no continuous movement** (Arkadelphia Milling Co. *v.* St. Louis, S. W. Ry. Co., 39 S. C. R. 237).—Though the **transportation of gas through pipe lines** from one state to local distributing companies in another constitutes interstate commerce which must be free from unreasonable state interference, the interstate character of the commerce ceases when the gas passes into the mains of the local companies, and the rates charged to consumers are subject to the regulations of state utilities commissions (Public Utilities Commission of Kansas *v.* Landon, 39 S. C. R. 268). — Under the acts of Congress authorizing the President to **take over the railroad, telegraph and telephone systems** of the country in time of war and to prescribe rates, the President may fix intrastate rates as well as interstate rates. To restrict such rate-making power to interstate rates would involve a limitation in the war powers of the United States (Northern Pac. Ry. Co. *v.* North Dakota, 39 S. C. R. 502; Dakota Cent. Telephone Co. *v.* South Dakota, 39 S. C. R. 507). — The **transportation of liquor on the person of a passenger** from one state to another is within the regulatory power of Congress, since it constitutes interstate commerce, and in exercising its power to regulate interstate commerce Congress may forbid the transportation of liquor into a state for personal use even though the state which prohibits the manufacture and sale of liquors for beverage purposes may permit such transportation. Congress is not limited in its regulatory power to the carrying out of the state law, but under its plenary powers over interstate commerce may enact laws even more stringent (United States *v.* Hill, 39 S. C. R. 143).—An employee of a railroad company, killed by a passing train, while shoveling snow on the railroad company's premises between a platform and tracks used for interstate and intrastate cars and commerce, was employed in interstate commerce; hence the award

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to his widow and children must be made under the **federal Employers' Liability Act** and not under the state compensation law (New York Cent. Ry. Co. *v.* Porter, 39 S. C. R. 188). — A **state employers' liability law** designating certain specified employments as inherently dangerous and imposing liability upon employers in such employments for the accidental injury or death to employees arising out of and in the course of the employment and not caused by their own negligence or the negligence of the employee, does not deny employers the equal protection of the law nor does it deprive them of property without due process of law (Arizona Copper Co. *v.* Hammer, 39 S. C. R. 553). — In the absence of any purpose to **create or maintain a monopoly,** a manufacturer engaged in an entirely private business may exercise his discretion as to the persons with whom he will deal and may announce in advance his refusal to sell to retailers who will not maintain certain resale prices (United States *v.* Colgate & Co., 39 S. C. R. 465).—The federal **Migratory Bird Act,** prohibiting the destruction or taking of migratory birds contrary to regulations as to closed seasons, does not manifest the intention of Congress to exclusive jurisdiction over the subject so as to make void a state law prohibiting the shipping of such birds by private or common carrier, the state law not being inconsistent with the federal law (Carey *v.* South Dakota, 39 S. C. R. 403).—**News is property** and is not abandoned to the public for all purposes when published, and a rival news-gathering agency securing news from bulletins or early editions for the purpose of setting it in competition with the agency that gathered it is engaged in unfair competition (International News Service *v.* Associated Press, 39 S. C. R. 68).—The word "House" as used in Art. I, sec. 7, clause 2 of the Federal Constitution, which requires a **two-thirds vote of each house** to pass a bill over the president's veto, means two-thirds of a quorum, not two-thirds of the entire membership (Missouri Pac. Ry. Co. *v.* Kansas, 39 S. C. R. 93).

PROHIBITION.—The contest over the prohibition of the manufacture and sale of intoxicating beverages by **constitutional amendment** came to a close January 16 when Nebraska became the 36th state to ratify. The 18th amendment, which was before the states less than 13 months, provides that "after one year from the ratification of this article the manufacture, sale or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited", and further, that "the Congress and the several states shall have concurrent power to enforce this article by appropriate legislation." Thirteen states had ratified the amendment on August 1, 1918 (see last RECORD, p. 37). Louisiana ratified on August 3; Florida, December 14; Michigan, January 2; Ohio and Oklahoma, January 7; Idaho,

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Maine and Tennessee, January 8; West Virginia, January 9; California and Washington, January 13; Alabama, Arkansas, Illinois, Indiana, Iowa, Kansas and North Carolina, January 14; New Hampshire, Colorado, Oregon and Utah, January 15; and Nebraska, January 16. Eight other states ratified later. As soon as the amendment had been ratified prohibition leaders began to agitate for **stringent enforcement measures** in state legislatures and in Congress (see *supra*, p. 86), and the liquor interests for a **referendum vote** in states that provide for such procedure. State-wide prohibition was adopted in the November elections in Florida, Nevada, Ohio and Wyoming, but was defeated in Missouri and California. When the war-time prohibition act (see *supra*, p. 76) became operative on July 1, the whole nation, technically, was placed on a prohibition basis. On May 20 the President in his message to Congress had requested the repeal of this act so far as it applied to wines and beers. Congress, however, failed to follow his request, and on June 28 he announced that on his own authority he could not lift the ban. "When demobilization is terminated", he concluded, "my power to act without congressional action will be exercised." The war-time prohibition act made illegal the manufacture of beer and wine after May 1 but, pending a decision as to whether beer containing 2.75 per cent. alcohol is beer within the meaning of the law, its manufacture has been continued. Since July 1 a strange state of affairs has prevailed. Though the act of Congress set the date when **war-time prohibition** should become operative, it provided no machinery for its enforcement. Consequently liquor dealers have not acted uniformly. Some observed the law strictly, many continued the sale of light wines and beers, and a few sold stronger liquors. Few arrests for violating the law were made, but test cases were begun in various parts of the country.

WOMAN SUFFRAGE.—The Sixty-fifth Congress failed to submit the **Anthony suffrage amendment,** in spite of President Wilson's earnest advocacy of the measure and the skilful and consistent efforts of suffragist workers (see *supra*, pp. 76, 79). In the new Congress which convened in special session on May 19 the suffrage leaders lost no time, however, in pushing forward their amendment—this time successfully (see *supra*, p. 83). The amendment as adopted is the famous text phrased and advocated in 1875 by Susan B. Anthony: "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of sex." Ratification by the states proceeded rapidly. On June 10 three legislatures—those of Illinois, Wisconsin and Michigan—ratified the amendment by almost unanimous votes. Kansas, New York, Ohio, Pennsylvania, Massachusetts, Texas, Iowa, Missouri, Arkansas and Montana also ratified during June and July—13 states in all. Georgia alone, on July 24, refused to ratify.—In the **November elections** four states voted on equal suf-

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frage. It was adopted in Michigan, Oklahoma and South Dakota but defeated in Louisiana. When the federal amendment was submitted for ratification there were 16 equal suffrage states and 12 more in which women were granted presidential or municipal suffrage or both.

STATE AFFAIRS.—The November elections resulted in no landslide for either party. However, the Republicans secured control of Congress (see *supra*, p. 81) and made some gains in the states. In 31 states governors were elected; in 10, Democrats were successful; in 21, Republicans. A Democratic governor succeeded a Republican in New York, and Republican governors succeeded Democrats in Colorado, Idaho, Nebraska and Wyoming.—Probably the most widespread interest centered in the **gubernatorial contest in New York.** Governor Charles S. Whitman was nominated by the Republicans for a third term. The Democrats nominated Alfred E. Smith, President of the New York City Board of Aldermen. Both candidates won by large majorities in the primaries. The Republicans stood by the war record of Governor Whitman and attacked their Democratic opponent because of his Tammany affiliations. The election was close, the Democratic candidate winning by about 14,000 votes.—In **Ohio** Governor Cox, Democrat, was reëlected by a small majority over ex-Governor Willis, Republican. — The messages of many governors urged the necessity of giving the chief executives of the states actual **control over the other administrative officers.** — The political complexion of state legislatures was not changed materially as a result of the 1918 elections. — As usual, there were many state **constitutional amendments** before the voters in the November elections, many of them submitted on initiative petitions. The new constitution submitted by the constitutional convention of **Arkansas** providing for woman suffrage and prohibition and making more conservative the initiative and referendum already in force, was rejected. In **Illinois** and **Nebraska** the people voted to call constitutional conventions. In **Massachusetts,** amendments providing for the initiative and referendum, compulsory voting, a state budget, biennial elections and the reorganization of the state administrative departments, were adopted. **North Dakota** adopted an amendment authorizing the state and its subdivisions to engage in any industry not specially prohibited. **South Dakota** voted to authorize the state to acquire and operate grain elevators, warehouses, flour mills and packing houses. Ohio approved an amendment reserving to the people power to approve or reject an action of the legislature ratifying any proposed amendment to the Federal Constitution.—Regular legislative sessions were held in 1919 in 43 states, and in a number of them special sessions were called after adjournment to act on special matters such as the suffrage amendment. Most attention was turned toward the **legislature of North Dakota** dominated by the **Non-Partisan League.** This legislature

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enacted laws for the establishment of an industrial commission to manage public utilities, a state bank to finance those utilities and a system of terminal elevators and flour mills which will change the whole method of handling grain products in the state. This legislation was submitted to referendum on June 26 and ratified by the voters. A suit has been filed in the federal court challenging the right of the state to engage in private industrial enterprises.— The **Massachusetts legislature** consolidated into 20 the 100 and more state administrative boards and commissions provided for by constitutional amendment adopted in November; declared profiteering unlawful and empowered the state to regulate the sale and storage of fish; established a 48-hour working week for women and minors; increased the maximum weekly payment under the compensation act from $14 to $16; and appropriated $4,000,000 to aid smaller towns in maintaining public school education and to increase the salaries of teachers. — The **Illinois legislature** was the first to ratify the federal suffrage amendment. It passed a "search and seizure" bill for the enforcement of prohibition; entered upon a road-building project involving an expenditure of over $87,000,000 within two or three years; abolished the state board of equalization of 25 members and substituted a state tax commission of 3 members to be appointed by the governor; and provided for changes in the government of Chicago (see *infra*, p. —). The movement to establish the eight-hour day for women was defeated.—The most constructive reform enacted by the 1919 session of the **New York legislature** was embodied in its new tax program, expected to yield $45,000,000 annually. The chief feature of this program is a graduated income tax of 1 per cent. on incomes from all sources up to $10,000, 2 per cent. on incomes from $10,000 to $50,000, and 3 per cent. on incomes in excess of the latter sum, based on returns made to the federal tax collector. Exemption is allowed for federal office-holders and also on incomes up to $1,000 for single men and $2,000 for married men with $200 additional for each minor child or dependent. Incomes from state and municipal bonds are exempted. Another provision is a 4½ per cent. tax on the net income of all business corporations. One of the few measures enacted by the Republican legislature at the suggestion of the Democratic governor was that providing for a division of the functions formerly exercised by the Public Service Commission for the First District. Two single-headed commissions were created, one to supervise rapid transit construction in New York City and the other to perform the regulatory functions. Governor Smith's "social welfare" bills, including health insurance, minimum wage for women and minors and the eight-hour day for women and minors, failed to pass. — Following the step taken by the legislature of Illinois in 1917 in reorganizing the state administrative system the **legislature of**

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Idaho effected a thorough-going reorganization of its civil administration. The law of March 31 abolished over 40 more or less independent state boards, commissions and offices and created, instead, nine departments with a commissioner appointed by the governor and removable by him as the head of each.—Nine states adopted the **executive-budget** plan during the recent legislative sessions. The total is now twenty-three. — The **legislature of Indiana** enacted a striking piece of tax legislation giving a state board of tax commissioners power over both state and local levies and over municipal bond issues. The state board was given power to remove local assessors for misconduct or inefficiency and to order reassessments.—The numerous **lynchings** that have occurred in the United States, chiefly in the South, have long been the cause of great concern. Last year President Wilson spoke of every such demonstration of mob spirit as "a blow at the heart of ordered law and humane justice", and early in March of this year one of the ablest southern newspapers, the *Houston Post*, in an editorial on lynch law, suggested that the Federal Government be given authority to suppress lynch law, since the states had failed to do so. During the year 1918 there occurred in the United States 67 lynchings and in 1919, up to August 1, 33. Those of 1918 were distributed as follows: Alabama, 3; Arkansas, 3; California, 1; Florida, 2; Georgia, 19; Kentucky, 1; Louisiana, 9; Illinois, 1; Mississippi, 7; North Carolina, 2; Oklahoma, 1; South Carolina, 1; Tennessee, 4; Texas, 11; Virginia, 1; Wyoming, 1. The record of the states for 1919 is: Alabama, 4; Arkansas, 4; Florida, 2; Georgia, 4; Louisiana, 4; Mississippi, 9; North Carolina, 1; South Carolina, 1; Texas, 3; Missouri, 1. The victims in almost all cases were negroes.

MUNICIPAL AFFAIRS.—In November the people of **Detroit** held their first election under the new charter which gives the mayor large appointive and administrative powers resembling those of a city manager. The nine members of the city council are chosen at large in non-partisan elections. James Couzens, former police commissioner, was elected mayor.—The most extraordinary municipal campaign of the year was that in **Chicago** on April 1, which resulted in the **reëlection of Mayor William Hale Thompson**, Republican, over Robert M. Sweitzer, Democrat, and Maclay Hoyne, Independent Democrat, by a plurality of 18,000. For the first time there was a Labor party in the contest, with John Fitzpatrick, president of the Chicago Federation of Labor, as its candidate for mayor. He polled over 50,000 votes. Though Mayor Thompson's administration had been generally condemned as the worst Chicago had had in a quarter of a century, he easily secured the Republican nomination over Judge Olson and Professor Charles E. Merriam. During the campaign the mayor's opponents attacked "Thompsonism" and the mayor's bad

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war record. His reference to Chicago as "the sixth German city", his refusal to issue an invitation to Marshal Joffre to visit the city, and his promise of police protection to the "People's Council of Democracy and Terms of Peace", a pacifist organization, were all used against him. In spite of all these handicaps, however, the mayor's well-organized political machine was successful. The question of whether the city should become anti-saloon territory was answered negatively by a vote of 144,000 to 391,000. — On April 1 a bitterly fought **campaign** in **Milwaukee** resulted in the overwhelming defeat of all the Socialist candidates by candidates favored by the Good Government League.—In the April election for aldermen in **St. Louis** the Republicans won a complete victory with pluralities of 20,000 to 25,000. — In **Seattle** the election for members of the city council resulted in the defeat of the **candidates of organized labor** by majorities ranging from 6,000 to 8,000. Strenuous efforts were put forth by the more conservative interests, thoroughly aroused over the critical industrial situation in the Northwest. — **Baltimore** on May 6 elected William F. Broening, Republican, over George Weems Williams, Democrat, by a plurality of about 9,000. The Democrats elected a majority in both branches of the city council. — Many proposals dealing with municipal affairs came before the legislatures during the 1919 sessions. In New Jersey, New Hampshire, Illinois, Tennessee and Missouri bills providing that cities be given power to adopt any form of government suitable to meet local needs and wishes failed of adoption.—A permissive bill providing for the **city manager form of government** was adopted by the Wisconsin legislature, but a similar bill failed in Indiana.—A **police home-rule bill** for **St. Louis** failed of passage in Missouri. — The legislature of **Utah** passed a constitutional amendment giving cities the right to frame their own charters. If ratified by the people it will become effective January 1, 1921.—Bills providing for **city-county consolidations** failed to pass in the legislatures of Ohio, Oregon and Utah.—The legislature of Illinois passed an act providing for **non-partisan elections** for members of the **Chicago** city council. A place upon the primary is secured by petition. A majority in the primary elects, otherwise the two highest candidates go before a supplementary election. Instead of the 35 wards with two aldermen from each, the city is to be divided into 50 wards with one alderman from each. The act becomes operative upon its ratification by the voters of the city, who at the same time decide whether the tenure of office shall be two or four years.—The Pennsylvania legislature enacted measures to simplify the **government of Philadelphia** by abolishing the large bicameral council and substituting a small unicameral council.—On November 5 **Akron,** Ohio, adopted a **new charter,** providing for a mayor and a council of 8. These will choose a chief administrator who will act as city man-

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ager. Ward lines are abolished and non-partisan elections introduced.—On January 1, the **modified charter of Richmond** went into effect. The amendments adopted abolished the administrative and fire boards selected by the council and enlarged the mayor's powers by giving him authority to nominate directors of public welfare, public works, public utilities and public safety, who, together with the mayor, constitute an advisory board. The directors of finance and law are chosen by the council.—The number of cities having the **city manager form of government** steadily increases, the most recent lists showing between 110 and 120. Among those which have recently been added to the list are Akron, Ohio; Auburn and Watertown, New York; Norfolk, Petersburg, Bristol and Suffolk, Virginia; Lapeer and Portland, Michigan; Rome, Georgia; McAlester, Oklahoma; and McCracken and Hays, Kansas.—On January 8 the **Seattle** city council passed an ordinance providing for the **purchase of its street railways** for the sum of $15,000,000. In the litigation arising out of this purchase the city was successful and public operation began on March 31. — In February the city council of **Alameda,** California, adopted a comprehensive zoning ordinance which combines the best features of the Los Angeles, St. Louis and New York ordinances. The ordinance applies to new building permits only. It provides for eight classes of use districts. — By a recent decision of the Missouri Supreme Court the **Kansas City plan** for the establishment of a municipal ice plant was overthrown, the court holding that under the state laws a city cannot engage in such business unless specially authorized by its charter and that the charter cannot validly confer such authority without an amendment to the state constitution (Kansas City *v.* Orear, 210 S. W. R. 392).—The Illinois Supreme Court has decided that a city council, after confirming a mayor's appointments to the board of education, may reconsider its action and reject the appointments (People *v.* Davis, 120 N. E. 326). — The supreme court of Minnesota held that a person desiring to erect a factory in a residence district has the burden of proving that the proposed industry would not interfere with the use of the property in the district for residential purposes (State *v.* Houghton, 170 N. W. 852). — An ordinance forbidding the playing of pianos, phonographs, organs and other musical instruments in a city between the hours of 11 p. m. and 7:30 a. m. excepting in churches or at private entertainments or at public entertainments where an admission fee is charged, was held valid and not void because of unreasonableness or unjust discrimination, by the Missouri Court of Appeals (City of Monett *v.* Campbell, 204 S. W. 32).—The Kentucky Court of Appeals held that the legislature is not competent to provide that a candidate receiving a minority of the votes for an office be declared elected when the majority candidate has been found guilty of cor-

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rupt practices (McKinney *v.* Barker, 203 S. W. 303). (See also Federal Judiciary, *supra*, pp. 87, 88).—During the last two weeks of July, **race riots** occurred in a number of cities, those in **Washington** and **Chicago** being especially serious. In those cities many persons were killed and injured. In Chicago the casualties were 31 killed and 500 injured. Troops were called out in both cities to restore order.—On the night of June 2 **bomb outrages** were committed in Boston, Patterson, New York, Philadelphia, Pittsburgh, Washington and Cleveland. The homes of prominent United States officials were blown up. Considerable property damage was done, and some innocent people lost their lives.

CAPITAL AND LABOR.—During the war the United States was not seriously threatened by industrial strife, but since the signing of the armistice there has been widespread unrest. The return of hundreds of thousands of soldiers from France created serious unemployment, and the change from a war to a peace basis naturally caused dislocation of industry. Moreover, the widespread discontent caused by the ever-increasing cost of living was fostered by radical agitators seeking to promote class warfare. — The **strike of harbor workers**, which for some months had threatened New York City, began on January 10 when 16,000 men of the Marine Workers' Affiliation stopped work. For three days the city was threatened with a food shortage, since ferries and other transportation facilities of the harbor were idle. At President Wilson's request the men returned to work pending the decision of the War Labor Board on their demands, the chief of which were a basic eight-hour day and wage increases of from 35 to 100 per cent. Six weeks later the award was made. It gave 40 per cent. of the men an eight-hour day at once and recommended it in case of the rest. No wage increases were allowed. The award was unsatisfactory, and on March 4 the workers walked out again, reiterating their previous demands. On March 7, 40 per cent. of the workers, those employed on railroad craft, returned to work, the Railroad Administration having met their demands. Other government agencies also agreed to the workers' demands, and the strike was reduced to a contest between the private boat owners and their employees.—The **strike of seamen, firemen and shiphands** against transatlantic and coastwise shipping under the American flag, which tied up between 300 and 400 ships in New York harbor for several weeks, was settled on July 26, when the steamship owners and the Shipping Board granted considerable increases in wages, concessions as to hours and assurance of the adjustment of other grievances. The "closed shop" demand of the unions was not accepted.—The **strike of 55,000 garment workers** in New York City late in January was settled by the employers' grant of a forty-four hour week to all workers. — The textile industry suffered many labor dis-

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turbances after the close of the war. The longest and most bitter controversy was the **Lawrence strike,** which lasted almost 15 weeks and resulted finally in success for the strikers. Late in May the mill owners granted a wage increase of 15 per cent. and a 48-hour week. In conferences arranged between committees of the strikers and the agents of mill owners it was agreed that there was to be no discrimination against strikers who should return to work. In Fall River, Dover, Pawtucket, New Bedford, North Adams and Easthampton mill owners during the early months of 1919 met the threatened general strike of the United Textile Workers of America by granting a 48-hour week. On February 3 the union announced that over 70 per cent. of the textile manufacturers in the North had granted an eight-hour day. During February successful strikes occurred in the **silk mills** at Paterson, Passaic and other New Jersey cities. In Paterson alone over 27,000 operatives were idle. The situation was complicated by the fact that many employees were under the control of the I. W. W. — In New York the hotel workers' strike, which began in December and lasted till February, was a failure.—The **general strike of carpenters and builders** that took 125,000 men from work and threatened the building trades of the whole country was settled February 24 by an agreement reached between the New York Carpenters' Union and the Building Trade Employers' Association, submitting all grievances to arbitration. The employers conceded higher wages and the union agreed that all men should return to work pending the arbitral award.—The strike which caused the most widespread discussion because of its unique character was the **Seattle strike,** which was called on February 6 and for four days practically paralyzed all activities in the city. It was a general strike in sympathy with 25,000 shipyard workers who had walked out on January 21 to enforce their demands for higher wages. Street cars stopped running, schools, restaurants and stores closed their doors. Newspapers suspended and industry was at a standstill. Soldiers from Camp Lewis were called out to maintain order in case the strikers should carry out their threat of taking over the city government. The prompt action of Mayor Hanson in preparing for the emergency acted as a powerful aid in restoring law and order. The general strike ended on February 10 without victory for the strikers, and on March 9 the shipyard strikers voted to return to their jobs under conditions and wages prevailing when the strike was called in January.—Greater disturbance accompanied the **I. W. W. walkout** of 12,000 miners in Butte, Montana, protesting against wage reductions. The strike was endorsed by the Sailors' and Soldiers' Association, an organization similar to a Russian Soldiers' and Sailors' Council. Transportation was tied up in the city by the union carmen. Order was restored by United States troops. — In April occurred a **strike of 20,000 tele-**

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phone girls in New England. The outcome was almost a complete victory for the strikers. Not only were substantial wage increases granted but Postmaster-General Burleson was obliged to send a representative authorized to deal directly with the union leaders.—When early in June Mr. Burleson announced that for purposes of operation the wire lines were returned to their owners (see *supra*, p. 25) he left the companies to deal with serious labor disturbances. However, the attempt of the president of the **telegraphers' union** to call out the employes of the Western Union and the Postal Telegraph Companies was unsuccessful, only a small number of them responding to his call.—During July successful strikes of street railway employees occurred in Cleveland and Boston.—The President in his message to the Sixty-sixth Congress devoted considerable space to the labor question and advocated as the object of all reform "the genuine **democratization of industry,** based upon a full recognition of the right of those who work, in whatever rank, to participate in some organic way in every decision which directly affects their welfare or the part they are to play in industry".—The thirty-ninth annual **convention of the American Federation of Labor** was held in June at Atlantic City. The convention endorsed the League of Nations "in principle" provided it did not conflict with Irish independence; favored withdrawal of United States troops from Russia; refused to endorse the Soviet government of Russia; urged reduction of military establishments; declared compulsory military service unnecessary; favored the repeal of the Espionage Act upon the signature of the peace treaty but refused to take action regarding amnesty for those convicted under it; disapproved "war-time" prohibition and favored the exemption of 2.75 per cent. beer from the provisions of the Eighteenth Amendment; favored a new trial for Thomas Mooney but opposed a general strike advocated in his interest; favored the 44-hour week; disapproved the legislative minimum wage; approved the prohibition of immigration for a number of years; declared against the formation of a political party; denounced the "usurpation" of the courts in declaring laws unconstitutional; instructed the executive council to coöperate with the railway brotherhoods for government operation of railways; endorsed the federal employment service; approved the principle of a federal budget; requested President Wilson to remove Postmaster-General Burleson from office; favored a broad program of scientific and technical research; condemned company unions; and protested against monopolistic control of food products by the great packers. The Federation voted to open its doors unconditionally to the negro. Its membership, which before 1914 had not reached 2,000,000, now numbers over 3,260,000.—In November an **Independent Labor party** was organized in Chicago. Its platform, called "Labor's Fourteen Points", resembles the program of the British Labor party (see *infra*, p. 105).

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DEPENDENCIES.—The people of the **Philippines** were intensely loyal to the cause of the United States during the war. This enabled the United States to remove practically all white soldiers from the islands and to leave them to be policed by native troops. Though there is no questioning the loyalty of the Filipinos to the United States, their leaders are anxious to have the promise of independence, made by the Jones Act of 1916, carried out. On April 4 a **commission of 40 prominent Filipinos,** sent by the Philippine legislature and headed by Manuel Quezon, President of the Philippine Senate, presented to Secretary Baker a memorial asking for complete independence. The Secretary not only assured them of his agreement with them but read to them a letter from President Wilson expressing similar views. Recent reports from the Governor General of the Philippines state that at the elections held on June 3 the **Nacionalista** or Nationalist Party won a complete victory. This indicates that the people favor the policies of the party that sent the Philippine mission to the United States.—The people of **Porto Rico** responded loyally to the demands made upon them by the Selective Service Act. The registrants up to July 5, 1918, numbered 121,241. There is at present a strong **movement** in the island **for statehood.** On February 11, the resident commissioner in the House of Representatives urged Congress to state definitely whether statehood and complete self-government for Porto Rico were possible. If not, the commissioner told the House, he would insist on a complete independence.

VIII. MEXICO AND THE CARIBBEAN STATES

MEXICO.—Conditions in Mexico have remained unsettled. Persistent complaints have been made by influential bodies of men in Mexico, the United States and England against the policy of the **Carranza government** in regulating foreign capital. The government seemed hostile to foreign investors and tolerated such a condition of extreme lawlessness that life and property were unsafe. Early in 1919 an **international committee of twenty bankers,** ten Americans, five French and five British, was formed for the protection of holders of Mexican securities. At the same time the **National Association for the Protection of American Rights in Mexico** was organized.—Conditions prevailing in parts of Mexico may be judged from a statement of **bandit outrages** in the Tampico oil fields submitted to the State Department, dealing with the period from August, 1917, to March, 1919. Twelve men, eight of them American citizens, were killed; thirty-one persons, including nine women, were wounded, and over $200,000 of American property was stolen or destroyed. One hundred and fifteen raids, attacks and holdups were perpetrated upon the properties and employes of fourteen oil companies.—During the continuance of the

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war, except for occasional references to German and anti-American propaganda and to attacks upon American life and property, little was heard about Mexico. During the first half of 1919, however, attention was repeatedly directed to the disorganized condition of that country. On March 15 it was announced that General Pablo Gonzales, commander of the government forces, had recovered control of the state of Morelos, which for many years had been overrun by bands under the command of Emiliano Zapata, and that the great estates there would be divided up among the people and schools established. A few days later a Washington dispatch stated that the American Embassy at Mexico City had been instructed by the State Department to request the Mexican government to insure the protection of American citizens in northern Mexico where **Villa bands** were again active. It appeared that a number of American citizens had been captured and some of them killed near the border. — On March 23 **United States troops** stationed at the border went into Mexico in pursuit of bandits who had stolen cattle and horses from an American ranch at Nuez, Texas, and in a skirmish with them killed and wounded seven Mexicans. — On March 31 the State Department ordered an investigation of a report from Mexico City that the Mexican government had granted **concessions to Japanese corporations** to exploit certain agricultural lands in Lower California. Baron Fugitaro Otori, Japanese Minister to Mexico, on April 1 issued a statement to the effect that no such concession had been made in the interest of his country.—On April 17 it was reported that General Blanquet, former Mexican Minister of War under Huerta and a bitter enemy of President Carranza, who had been organizing an army headed by General Felix Diaz for the overthrow of the present government and the reëstablishment of the constitution of 1857, had been killed in an engagement with government troops near Vera Cruz.—It was announced late in May that Villa had joined the cause of the revolutionist leader Felipe Angeles. — On June 15 **American troops** (3,600 cavalry and infantry) crossed into Mexico to protect El Paso, Texas, during a battle between the forces of Villa and Carranza. It appears that the Americans coöperated with the Carranza forces in pursuit of the Villistas beyond Juárez. The troops returned the following day, having killed 45 Mexican bandits and having lost two of their own men. — On June 19 the Carranza government informed the United States that steps had been taken to protect American citizens in Chihuahua, but on July 5 a party of sailors from the United States gunboat *Cheyenne*, consisting of thirteen men, all unarmed, were attacked by Mexican bandits and robbed near Tampico. A local station of an American oil company was looted on the same day.—In July, Henry P. Fletcher, **American Ambassador to Mexico,** gave to Congress a list of 217 names of Americans officially known to

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have been killed in Mexico since 1911, one-half of them since Carranza came into power. Arrests were made in very few of these cases and reparation in only one. The Ambassador could not recall a single prosecution or conviction of a Mexican for the murder of an American citizen. — Late in July the Mexican Ambassador to the United States issued an **appeal to the American people** in which he stated that Mexico had a stable government and would discharge every obligation. He deplored that efforts were being made to "precipitate armed intervention".—On July 25 President Wilson issued a proclamation prohibiting the **shipment of arms and ammunition** into Mexico on the ground that they would be used to promote domestic violence. There has been strong criticism of the Administration's policy in Mexico, and at the end of July Congress was considering a wide **inquiry** into the Mexican outrages.

THE CARIBBEAN STATES.—Mario Menocal continues as President of **Cuba.** An obligatory **military service act** was put into force on August 3 providing for a draft of male citizens between the ages of 21 and 28 years and for obligatory military training for those from 19 to 25 years. Registration took place in October. A food administration was given extensive powers and prices for necessities were fixed. An espionage act was passed, and a custodian of enemy property created. The **electoral law of Cuba** has given dissatisfaction and the present administration has pledged itself to reform it. Steps in this direction were taken by the introduction of the Maza y Artola bill providing for an obligatory vote, the use of finger prints for identification and the public counting of the ballots. Late in February, Secretary of War Baker announced that in response to a request of President Menocal, Provost Marshal General Crowder would leave for Cuba to advise with the Cuban President and Congress on the revision of the election laws. General Crowder while serving with the American army of occupation in Cuba had drafted the election laws for the new republic and had later supervised the first presidential election. There have been serious **labor disturbances** partaking of the nature of a general strike. — The republics of **Haiti** and **Santo Domingo** continue under the supervision of the government of the United States. On February 25 Rear Admiral Thomas Snowden, U. S. N., assumed charge of the military government of Santo Domingo and the military representation of the United States in Haiti.

IX. SOUTH AMERICAN STATES

In September the cabinet of the **Argentine Republic** was reorganized; Señor Pueyrredon, Minister of Agriculture, became Minister of Foreign Affairs; Señor Moreno, Chief-of-Police of Buenos Aires, was named Minister of War in place of Señor Gonzales, and Señor Alfredo

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Demarchi was appointed Minister of Agriculture.—Unrest among the working classes led to serious labor disturbances. During the winter Buenos Aires was paralyzed by a **menacing strike** which at times assumed the aspect of revolution. After a vain attempt on the part of the government to restore normal conditions, the trouble was temporarily settled by an increase in wages. **Thomas A. Le Breton,** a former member of the Argentine Congress, was named to succeed Rómulo S. Naón as **Ambassador to the United States.** By the action of its senate on July 7 the Argentine Republic became the first nation to accept the Covenant of the League of Nations.—Dr. Rodrigues Alves, President-elect of **Brazil** and one of its leading statesmen, died January 16. Senator **Epitacio Pessoa** succeeded him in the presidency. During the year Brazil has lost no opportunity to cultivate pan-Americanism; to this end numerous treaties of amity, arbitration and commerce have been ratified. Another step in the same direction was the recent visit of President-elect Pessoa to the United States. At the Peace Conference Brazil was represented by Senator Pessoa, Olyntho de Magalhaes and Pandiá Calogeras.—In **Chili** labor unrest resulted in serious disorders during January and February among the nitrate workers of Antofagasta.—Hostilities between **Chili** and **Peru** growing out of a long-standing dispute over the Tacna-Arica provinces (see *supra*, p. 70) were narrowly averted.—The boundary dispute between **Ecuador** and **Peru** is still unsettled.—Throughout the year **Peru** has been disturbed by continuous labor troubles. As a method of settling a disputed election held on May 18 President Pardo was made a prisoner on July 4 by Peruvian troops and police and Augusto B. Leguia was proclaimed president in his stead. The new executive has been advocating a scheme for a federalized state.—On June 5 Vice-President José Montero became President of **Paraguay** upon the death of President Franco.—Dr. Baltasar Brum was inaugurated President of **Uruguay** on March 1 and at once appointed an able cabinet. The **new constitution** which went into effect in Uruguay on March 1, in substitution for the constitution of September 10, 1829, provides for strict separation of powers, election of members of the high court of justice by the general assembly, and cabinet interpellation. Executive power is divided between two branches: one part is entrusted to a president elected by popular vote, and the other to an administrative commission of nine members also elected by a popular vote for a term of six years, one-third retiring every two years. The administrative commission has all administrative power not expressly reserved to the president or some other branch of the government, especially such power as relates to public instruction, public works, labor, industries, finance, public charities and health service. The commission renders to the general assembly a particularized account of the collection and expenditure of reve-

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nues and after receiving the final general annual budget from the president submits that also to the general assembly. Minority representation is provided for by plurality voting. A unique provision of the new instrument is that which prohibits the president of the republic from leaving the national territory for longer than forty-eight hours without consent of the legislature. A like prohibition applies to individual members of the commission; they cannot leave the territory without consent of a two-thirds vote of the full commission. Plenary power to interpret the constitution rests with the legislature.

X. THE BRITISH EMPIRE

THE UNITED KINGDOM.—The last of the "sniping" debates, that on the charges made against the ministry by General Maurice (see last RECORD, p. 46), resulted early in May in a sweeping victory for Lloyd George. Mr. Asquith was able to muster only 108 votes as against 295 for the Government. Henceforth the Opposition refrained from open warfare, and Parliament was able to devote itself to legislation and finance.—Aside from war measures, the most significant laws of 1918 were the **Representation of the People Act** (see last RECORD, p. 43) and the **Education Act.** The Fisher Education bill was reintroduced early in 1918 and became law on August 7. This far-reaching measure raises the elementary school age to 14 years; provides for compulsory attendance at continuation schools for those from 14 to 16 years of age until 1925 and for those from 14 to 18 years of age thereafter; forbids children under 12 to work for wages; provides that children between 12 and 14 may not be employed over two hours on Sundays and school days or before 6 a. m. or after 8 p. m.; gives local authorities permission to provide holiday or camp schools and physical training centers, a portion of the cost of which will be borne by the Treasury; provides for medical treatment of children in schools supported by the public and for special schools for physically defective children; and abolishes all fees in public elementary schools.—Mr. Bonar Law's **second war budget,** for the year ending March 31, 1919, which was passed without difficulty, allowed for an estimated expenditure of nearly £3,000,000,000 and a revenue of nearly £850,000,000. It raised the income tax to 6s. on the pound and doubled much of the indirect taxation. During the year votes of credit to the aggregate amount of £2,500,000,000 were sanctioned. — Parliament adjourned for a ten weeks' recess on August 8. When it reassembled on October 15 complete military victory was in prospect, and when on November 11 Lloyd George read to the House of Commons the terms of the armistice it was fully realized that the Parliament which weathered the storms of war would soon be brought to a close. This Parliament, elected on purely domestic issues in 1910 for a maximum term of seven years, first reduced its term to five and ended, after

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five extensions of its life, in the last quarter of its eighth year, by outliving all its predecessors since those of Stuart times. On November 14, Mr. Bonar Law announced in the House of Commons that **Parliament** would be **dissolved** on the 25th and that a general election would be held on December 14.—This **general election was** the outstanding political event of the year in the United Kingdom. The franchise had been so greatly extended by the Representation of the People Act that by October 1 the register contained two and a half times as many electors as the previous one, including for the first time women and soldiers below the age of 21. Premier Lloyd George and Mr. Bonar Law shortly after the signing of the armistice outlined to their Liberal and Unionist followers a plan for the continuance of the Coalition Government during the period of reconstruction. This plan was adopted. However at the first conference of the new Labor party, held in June, it was decided by a vote of two to one "that the party truce be no longer recognized", and at the special conference on November 14 the party voted, 2,117,000 to 810,000 to withdraw its support from the Coalition Government. This decision ultimately resulted in the resignation of the Labor Ministers with the exception of Mr. G. N. Barnes, who left the party and remained in the cabinet. The Labor party placed 370 candidates in the field. On November 28 it issued a manifesto signed by the executive committee of the party, prominent on which were J. McGurk, chairman, J. Ramsay MacDonald, treasurer, J. R. Clynes, formerly Minister of Food, Sidney Webb and Arthur Henderson, entitled "Labor's Call to the People", which served as its platform. The chief points were: a peace of reconciliation and international cooperation with an international labor charter as an essential part of the peace treaty; the immediate withdrawal of allied forces from Russia; freedom for Ireland and India; repeal of the Defense of the Realm Act; abolition of conscription; release of all political prisoners; land nationalization; immediate construction of a million new houses at the expense of the State; free trade; payment of war debt by a special tax on capital; immediate nationalization and democratic control of mines, railways, shipping, armament and electric power; a national minimum wage; abolition of unemployment; universal right to work or maintenance; legal limitation of hours; drastic amendments of acts relating to labor; complete adult suffrage; equal pay for women; and support of the cooperative movement. Mr. Asquith led the Liberals in opposition to the Coalition on a platform not differing essentially from that of the party before the war. The Liberals objected to the holding of an election amid the distractions of the time, fearing that personalities rather than principles would absorb the attention of the electors. They accused Lloyd George of seeking to secure a long lease of power, questioned the accuracy of the voting lists and esti-

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mated that a large percentage of the soldiers could not vote because of the difficulties of communication, mistrusted the reactionaries in the Coalition Cabinet, condemned the agreement on preferences and criticized the Government's policy in shelving the Home Rule question.—The Coalition Government, made up of Unionists, Liberals and National Democrats, in a statement to the nation on the eve of the election, appealed for the support of all voters regardless of party. It promised to secure the trial of those responsible for the war, the expulsion of enemy aliens and the payment of the cost of the war by the Central Powers "up to the limt of their capacity"; pledged itself to make adequate provision for returned soldiers and sailors by giving them facilities for special industrial training and by enabling them to acquire land; strongly urged the necessity of increasing production as the only means of securing improved wages and working conditions; advocated fair treatment of both labor and capital; and promised to provide improved housing conditions through government aid. It favored a League of Nations, accepted the principle of preference to the colonies, and favored the reform of the House of Lords. Finally, it aimed to continue its policy of the gradual introduction of responsible government in India and of exploring "all practical paths toward the settlement of the Irish question on the basis of self-government". —One hundred and seven members were returned unopposed. For the other six hundred constituencies there was an extraordinary multiplicity of candidates. Besides the parties mentioned there were a number of smaller groups.—The result of the election was a **remarkable triumph for the Coalition;** Mr. Lloyd George was confirmed in power by a majority of 263 over all non-Coalition parties. The Coalition secured 485 seats: 338 Unionists, 136 Liberals and 11 National Democrats; the Labor party, 61 seats; the Independent Unionists, 28; and the Liberals, only 26. In Ireland, Sinn Fein swept nearly all before it in the Catholic sections, winning 73 seats. Mr. De Valera defeated Mr. Dillon, the Nationalist leader. The Nationalists were reduced to 7 members. The Unionists returned 27. Sir Edward Carson and his followers received large majorities throughout northeast Ulster. Every minister facing a contest was returned. Many prominent Liberals on the other hand failed of election. The Labor party strengthened its representation and became the official opposition. Those of its candidates who had favored the vigorous prosecution of the war were generally returned by large majorities but the pacifist members were defeated. Of the 16 women candidates, only one, Countess Markieviecz, was elected. The result of the election was a complete vindication of the war policies of the government. There were 21,373,424 names on the lists, but only 10,679,020 votes were cast. The Coalition majority in the popular vote was 1,575,299.—In a number of **by-elections** the Coalition has suffered some severe re-

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verses. At the by-election in Hull a Coalition Unionist majority of 10,371 was changed to a Liberal majority of 917, and at the recent by-election in Bothwell a Unionist majority of 332 was changed to a Labor majority.—On January 10 Lloyd George announced the formation of a **new ministry.** The changes consisted mainly in a shuffling of the cards, a majority of the former Unionist ministers remaining in high office. The chief members, aside from Lloyd George as Prime Minister and First Lord of the Treasury, were the following: Andrew Bonar Law, Lord Privy Seal and Leader of the House of Commons; Earl Curzon, President of the Council and Leader of the House of Lords; George Nicoll Barnes and Sir Eric Geddes, Ministers without Portfolio; Sir F. E. Smith, Lord Chancellor; Edward Shortt, Secretary for Home Affairs; Arthur J. Balfour, Foreign Secretary; Viscount Milner, Secretary for the Colonies; Winston Spencer Churchill, Secretary of War and the Air Ministry; Edwin S. Montagu, Secretary for India; Walter Hume Long, First Lord of the Admiralty; H. A. L. Fisher, Minister of Education; Sir Auckland Geddes, Minister of National Service and Reconstruction; Sir Gordon Hewart, Attorney General; Austen Chamberlain, Chancellor of the Exchequer; General Viscount French, Lord Lieutenant of Ireland; Sir James Ian Macpherson, Chief Secretary for Ireland. In June Christopher Addison was appointed to be the first Minister of Health.—The Prime Minister in his **address at the opening of the new Parliament** on February 11 declared that the time had not yet come to discuss the work of the Peace Conference, spoke of the League of Nations as "full of hope for the future" and analyzed the causes of industrial unrest, pointing out that remedies were being perfected by the government. On March 31 the House of Commons passed the Government's **service bill,** 282 to 64, providing for an army of 850,000 men in the face of charges of abandonment of pledges to abolish conscription.—The **budget for 1919-1920** was presented to the Commons by Mr. Chamberlain on April 30. The estimated expenditure amounted to £1,434,910,000 and the estimated revenue to £1,159,650,000, leaving £275,260,000 to be covered by bonds. The budget provided for preference on certain goods from the colonies and dominions; increased the duties on spirits and beer; retained the income tax rates of the previous budget; reduced the excess-profits duties; increased the death duties on estates exceeding £15,000; and abandoned the luxury duty. The Chancellor of the Exchequer was uncompromising in his repudiation of a levy on capital. The provision for **imperial preference** is the most important feature of the budget. The **national debt** on March 31, 1919, was £7,235,000,000 as compared with £645,000,000 at the outbreak of the war.—The **Irish question** seems no nearer solution now than it was a year ago. The attempt during the summer of 1918 to couple conscription and Home Rule for Ire-

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land proved unsuccessful. Ulster would not accept Home Rule, the Catholics strongly opposed conscription, and the Sinn-Feiners vigorously opposed both. The discovery of the Sinn Fein plot (see last RECORD, p. 45) naturally added to the friction. On July 29, 1918, Mr. Dillon's motion declaring the Government's Irish policy contrary to the principles for which the Allies were fighting was rejected after a bitter debate by a vote of 245 to 106. The Nationalist leader described Ireland as lying under the unfettered tyranny of a military government and suggested that if no British statesman was strong enough for the task President Wilson be called in to settle the Irish question. Mr. Shortt, for the Government, announced that conditions in Ireland had been vastly improved. Mr. Bonar Law stated that it was impossible at that moment to put into force any form of Home Rule in Ireland. Early in November Mr. Dillon moved that before Great Britain participated in the peace conference the Irish question ought to be settled on the principle of self-determination. The motion was defeated 196 to 115. In the December election (see *supra*, p. 106) the Nationalists were overwhelmed by the Sinn Fein, who determined, however, not to take their seats in the Imperial Parliament. On January 21 they met in convention in Dublin, adopted a declaration of independence and proclaimed an **Irish Republic.**—On February 24 Mr. J. T. O'Kelly, Sinn Fein member of Parliament from Dublin, arrived in Paris as the "accredited envoy of the Provisional Government of the Irish Republic" and sent to the president and members of the Peace Conference a letter demanding the recognition of Irish independence and the admission of Ireland into the League of Nations. Mr. Eamonn de Valera, Count Plunkett and Mr. Arthur Griffith were delegated to present a statement to the Conference in behalf of Ireland. During the early months of the year there were such **serious disturbances** that in April martial law was proclaimed in Limerick, Cork and Tipperary. Serious strikes were also in progress. On April 11 three American delegates, Frank P. Walsh, Edward F. Dunne and Michael F. Ryan, appointed by the All-Irish Convention held at Philadelphia on February 23 to present to the Peace Conference resolutions asking for Irish independence, arrived in Paris and on March 17 conferred with President Wilson. It was announced that they would be received by Lloyd George. Their tour in Ireland, however, caused such demonstrations of hostility to the Government and such unpleasant impressions throughout England that on May 12 the British Premier announced that he would not receive the delegation. The report of the Irish-American delegation concerning conditions in Ireland was at once rebutted by the Government. On May 27 Mr. Lansing notified Mr. Walsh that the American representatives could not make further attempts to secure passports for Mr. de Valera and his companions to present the Irish cause at Paris. During June

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and July Valera was received in America with great enthusiasm by Americans of Irish birth and ancestry. He visited a number of large cities and was received by numerous public officials and often hailed as "President" de Valera. During June Sir Horace Plunkett submitted a plan for setting up a "dominion" government in Ireland similar to that of Canada. — The **labor situation** in the United Kingdom has been the most critical one with which the Government has had to deal. At times it appeared as though the contending factions would come to blows, but thus far good sense has always averted such a calamity. In the opinion of many, however, the steps taken to avert the crises in themselves constitute almost a revolution. The **Trades Union Congress** held its meeting early in September. It sent a patriotic message of congratulation to the allied forces; upheld the demand for an international labor and socialist conference as a necessary preliminary to peace; called upon the socialists of the Central Powers to state their war aims; and demanded the representation of labor at the peace conference. The congress by an overwhelming majority decided to continue coöperating with the Labor party. A program of social reform was adopted. So threatening was the industrial outlook early in the year that on February 21 the Ministry of Labor announced that a **National Industrial Conference** would be called to discuss the views of employers and workers. At the first meeting held on February 27 a joint committee, consisting of equal numbers of employers and workers together with a chairman selected by the Government, was appointed to report on the causes of industrial unrest and the steps necessary to remove them. The committee's report, unanimously adopted by the conference on April 4, recommended among other things: the establishment of a 48-hour week; a universal minimum wage; the recognition of, and negotiations between, organizations of employers and workpeople; the prevention of unemployment through government purchases, housing schemes and the development of new industries; normal provision for maintenance during unemployment and free opportunities for continuing education during such periods; and the establishment of a **permanent National Industrial Council** to advise the Government on national industrial questions—this council to consist of 400 members, 200 elected by employers' organization and 200 by trade unions, with the Minister of Labor as president of the council. The Prime Minister pledged the Government to immediate and sympathetic consideration of the report.—A matter second in importance only to that of the Industrial Conference was the inquiry into the conditions of the coal industry by the **Coal Commission,** created by an act passed late in February. The immediate cause of the establishment of this commission was the threatened strike of over 700,000 miners. Mr. Justice Sankey was appointed

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to act as chairman of the commission, which consisted of representatives of coal-owners, miners and a number of persons nominated by the Government, among them Mr. Balfour and Mr. Sidney Webb. A report was promised by March 20. Before the bill was passed, the miners had determined upon a strike by an overwhelming majority, but this was postponed pending the report of the commission. Hearings began on March 4 and were completed on March 17. Startling figures were presented as to coal prices, royalties and profits before and since the establishment of government control. On March 20, on the basis of the **Sankey Report,** the Government offered the miners 2 shillings a day increase in wages; a seven-hour day; six hours after 1921; £1,000,000 a year from the coal revenue for miners' houses; progressive reorganization of the industry; and an effective voice for miners in the direction of mines. On April 9 and 10 the miners voted to accept the terms offered by the government pending a further report of the commission. On June 20 the commission rendered a later report on the future policy of coal control. The chairman and every member of the commission recommended that coal should be nationalized, and a majority of 10 to 3 advocated the payment of fair compensation to the dispossessed royalty-holders. The chairman and half the members of the commission, a majority of 7 to 6, recommended the nationalization of the collieries in 1922, and the reorganization in the meantime of the control of the industry, centrally, by districts, and locally. In spite of the concessions made to the miners there was great dissatisfaction among the men, and at the end of July a serious strike was in progress in the Yorkshire mining district. Many factories were closed down because of lack of coal. The strike was temporarily settled by the intervention of Lloyd George.—There were an extraordinary number of **strikes** in other industries, the whole industrial situation being most critical at times. The powerful **Triple Alliance** of railwaymen, transport workers and miners has threatened a general strike to force the Government to withdraw from Russia, abolish conscription and release conscientious objectors.—As in other countries, the progress of demobilization brought with it a large increase in **unemployment.** This added to the general industrial unrest. —The British representatives at the **Peace Conference** were Mr. Lloyd George, Mr. Arthur Balfour, Mr. Bonar Law and Mr. George Nicoll Barnes. On July 31 Great Britain ratified the peace treaty.

CANADA.—According to official figures over 550,000 soldiers were trained and equipped. Of these 418,052 were sent overseas prior to November 11, and of this number approximately 215,000 lost their lives or were wounded. The war has cost Canada more than $1,500,000,000.—After a five months' session parliament assembled on February 21, adopted a **budget** providing for expenditures totaling $834,000,000 with a revenue, from all sources, amounting to only $280,000,-

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000. Many war taxes were continued in force, and the income tax was increased, as were also the taxes on net incomes of all corporations in excess of $2,000. The deficit of a half-billion dollars is to be raised by loans.—A sweeping **immigration act** has been adopted, providing for a closer selection of immigrants and conferring extensive powers of deportation with respect to any person found countenancing or abetting revolution against constituted authority.—Owing to the **high cost of living** and the prevailing unrest throughout the country, a royal commission of seven members, capital and labor being equally represented, was appointed on April 9 for the purpose of investigating industrial conditions and making suggestions towards the securing of permanent improvements in the relations between employer and employee. It submitted two reports on July 1, the majority report being far more sympathetic toward the demands of labor than that of the minority. Both reports were tabled and are to receive further consideration when parliament reconvenes. Parliament failed to take any action on the report of a Cost of Living Commission which recommended the abolition of combines and a more careful regulation of business by a Dominion Board of Commerce.—While these two commissions were engaged in their investigations **general strikes** were occurring in many parts of the country. Despite all efforts of the government, the city of Winnipeg was paralyzed for almost a month by a general strike. Beginning with efforts of the building trades and metal workers to impose their relations with their employers, the strike soon became a sympathetic one involving all workers of the city; gradually it took a political turn and there were many complaints against the government, which was held responsible for the soaring cost of living. Pending a governmental inquiry the strikers resumed work.—The **death of Sir Wilfrid Laurier,** former Premier, on February 17, deprived the Liberals of a remarkable leader; his successor has not yet been chosen.—Minor changes have occurred in the **cabinet** and its reorganization by Premier Borden will probably take place in the near future.—In **Newfoundland** a new ministry was formed on May 23 by M. P. Cashin, former Minister of Finance.—Sir Robert Borden, Premier, Sir George Foster, Minister of Trade and Commerce, and Mr. C. J. Doherty, Minister of Justice, were the representatives of Canada at the Peace Conference. Newfoundland was represented by Sir William Lloyd, Premier.

INDIA.—Famine, coupled with the constantly increasing prices of food, an epidemic of plague followed by an appalling siege of influenza, discontent among the educated classes caused by the censorship and the Defence of India Act, the tremendous excitement of the war, the profound mental disturbance of the Moslems caused by the policy of the Allies toward the Mohammedan powers, the overthrow of the Turkish Empire and the multitude of questions touching the future of

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Islam—all these, together with the passage of the so-called Rowlatt Acts, explain the **disorders** which swept over India in April and in which, it seems, Hindus, Mohammedans, Sikhs and Marwaris united against the ruling power. Quick action by the government of India resulted in the suppression of the movement. The Rowlatt Acts—the Indian Criminal Law Act and the Emergency Criminal Law Act—give the governor-general the right to invest the police with special powers of search, arrest and punishment in districts disturbed by seditious agitation. These acts, passed in March, were supported neither in the legislative council nor outside by the Indian leaders, and several members of the government resigned in protest against their enactment. At Bombay a **Passive Resistance League** (Satyagraha) was organized whose members vowed to refuse "civilly to obey the laws". It soon proved impossible to control this movement and it quickly became aggressive.—In a speech on the budget in the British House of Commons Mr. Montagu warmly defended the Rowlatt measures. At the same time his bill embodying a scheme of **constitutional reform for India** was introduced. This measure, which is based upon the historic Montagu-Chelmsford Report of last year, is prefaced by two reports of the Southborough Committees, which began their work in India last November. The first committee, investigating the matter of new constituencies, recommended, among other things, the extension of the franchise to over 5,000,000 electors, many of whom cannot speak English; a property qualification which in the rural sections would be based upon the land-revenue districts; and communal representation not only for the Mohammedans but for the Sikhs, Indian Christians, Europeans and Eurasians. The second committee presented a detailed scheme for the division of powrs, political and financial, between supreme and provincial governments. The recommendations of both reports were incorporated in the Montagu bill. The measure was widely discussed throughout the Empire. From latest reports it would seem that the Indian extremists desire to give the legislature complete control over the budget and to reduce the powers of the governor-general in relation to his Indian ministry; the moderates, on the other hand, accept the principle of dualism in government and are not anxious to impair the relations between India and the Crown.

OTHER BRITISH POSSESSIONS.—In **Egypt** a multitude of grievances, including forced recruiting, cruel treatment of native soldiers, prohibition of meetings of the Egyptian Assembly during the war, the enforcement of a stringent censorship of news and opinions, the refusal to allow native newspapers and political discussions in the state schools or to allow the entrance into Egypt of any person suspected of being nationalistic, together with the arrest and deportation of national leaders who desired to represent Egypt at Paris,

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led to widespread agitation, culminating in **open insurrection** during the month of March. Order was finally restored by General Allenby who, upon his arrival in Egypt, promptly released the Nationalist leaders. Following the resignation of Hussein Rushdi Pasha on April 23, the Sultan, with the assistance of General Allenby, formed a new cabinet on May 21 with Mahomed Said Pasha, a disciple of Cromer and Kitchener, as prime minister.—In October **Australia** successfully raised her seventh war loan. To care for her returning soldiers a Federal Department of Repatriation was established with branch departments in each state. Both in Australia and New Zealand every effort has been made to induce demobilized soldiers to take up land, and on June 23 the Minister of Lands of New South Wales reported that 3,500 men, returned from overseas, had already been placed on farms. For those soldiers who do not wish to take up land, national workshops are being established. In a speech on the budget the acting Premier, W. A. Watts, in a plea for economy, stated the estimated revenue to be £39,219,591, offset by expenditures totaling £45,344,595. To meet the deficit the government urged an increase of 30 per cent. in the income tax and 20 per cent. in the land tax; the rate of taxation on liquors and amusements was also increased. To insure the preservation of those manufacturing enterprises inaugurated during the war, tariff rates were raised and a further increase is being advocated. During May, June and July Australia was engulfed in a series of great strikes which almost completely tied up the whole country. The Industrial Court was reported to be hopelessly congested and, in an effort to relieve the situation, the government has recently created the Government Workers' Tribunal.—At the Peace Conference Australia was represented by Premier Hughes and Sir Joseph Cook, Minister of the Navy, while Premier Massey and Sir Joseph Ward, Minister of Finance, represented New Zealand.—In **South Africa** the irreconcilable Nationalists continued to carry on active agitation for an independent republic. To this end a delegation journeyed to Paris to place the cause of the Nationalists before the Peace Conference. In receiving the delegation on June 5, Mr. Lloyd George stated that the Union of South Africa rested on a basic understanding between the British and the Dutch. The Premier advised the deputation not to attempt to undo the past but instead to throw their energies into the "great future which lies before United South Africa". With the adoption of woman suffrage, South Africa is following the lead of the other British Dominions.—At the Peace Conference General Botha and General Smuts represented South Africa.

XI. CONTINENTAL EUROPE

FRANCE.—Though the subject of many attacks, the **Clemenceau Ministry** is remarkable for its length of life. During the past year the

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Government has been almost entirely occupied with problems relating to the war, to peace and to the after-war problems of labor, finance, trade and demobilization.—After a long trial, **Louis J. Malvy,** Radical Socialist and Minister of the Interior under three war premiers, who was charged with treacherous conduct during the war, was found guilty on August 6 of negligence of duty in office by a vote of 101 to 81 and sentenced to five years' banishment. Another of the "defeatists", **Senator Charles Humbert,** was acquitted on May 8.—On May 22, by a vote of 326 to 176, further action by the Chamber on the General Amnesty bill was postponed. This measure, if passed, would not only whitewash Malvy and other convicted members of the *Bonnet Rouge* clique but would quash proceedings against **Joseph Caillaux.**—Immediately after the signing of the armistice the French Government took formal possession of **Alsace-Lorraine,** Metz, the capital of Lorraine, being occupied on November 19, and Strassbourg, the capital of Alsace, on November 24. French civil government was promptly established in both of these provinces, although they were not technically restored until the signing of the Peace Treaty by Germany on June 28.—During the last two weeks of December the Socialists made a bitter attack on the Premier's peace policy. On December 30 important speeches were made in the Chamber of Deputies by **M. Clemenceau** and **Foreign Minister Pichon.** While avoiding all details of policy, the Premier defended the balance-of-power idea and frankly admitted that he believed in a system of alliances. He stated that any "additional guarantees" which would result from an international organization would be gratefully accepted by France and disclosed the fact that he had informed Lloyd George that he, like President Wilson, was not disposed to limit Great Britain's sea power. M. Pichon, replying to interpellations, discussed the limits of allied action in Russia and the necessity for it, declaring that no peace of justice would ever be possible with Russia in civil war under a government which he pictured as "hateful and abominable". The Chamber voted confidence in the Government.—In less than a month the atmosphere of the Chamber again became stormy when the Government was interpellated on the Russian question and army demobilization. In the course of the debate, **M. Cachin,** of the Left, bitterly declared that the French Government was showing itself before the world as an international reactionary. The Premier assured the Chamber that 1,200,000 soldiers would be discharged on February 15 and 2,000,000 more by March 31. The statement that the Government's attitude toward Russia had not changed was prefaced with a warning that there must be no useless interpellations during the Peace Conference. In spite of this admonition the opposition made the March debate in the Chamber on the credits for April, May and June an occasion for a combined drive against the Government. Pichon was again made the target for

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Socialist denunciation on the Russian policy and M. Klotz, Minister of Finance, was attacked for his unsatisfactory financial statements. Klotz announced that the yearly **budget** would be three or four times as great as before the war, the deficit being 21,750,000,000 francs. To meet the 10,000,000,000 francs deficit of 1919 he proposed an increase in direct taxes, as income tax, receipts from the liquidation of war stocks and a revision of the law governing the transportation of troops over France by charging the Allies for such transportation. He suggested that either rates of exchange be internationalized so that France would not be penalized in the purchase of raw materials by unfavorable rates, or that the war debts of the Allies be pooled and guaranteed by an allied union. There were numerous interpellations, and the situation became so tense that there were rumors that Klotz intended to resign. He held on, however, and in cabinet circles it was pointed out that the Finance Minister was embarrassed because as a delegate to the Peace Conference he had to confine himself to generalities on many points regarding which the Chamber desired specific information. In April the growing impatience over the lack of precise information regarding the proceedings of the Peace Conference threatened to result in the downfall of the Ministry. Both the Senate and the Chamber gave the Premier to understand that the country could no longer be kept in the dark regarding the peace terms. The budget committee of the Chamber insisted on the impossibility of framing a budget unless it knew the amount of indemnity to be received from Germany. In reply, M. Pichon, quoting the Premier, boldly stated that the peace terms would be submitted to Parliament only after they had been signed by the enemy, and the Chamber expressed confidence by a vote of 344 to 166. Public confidence in the Ministry was strengthened by the continuation of its drastic policy toward food speculators and profiteers and by its support of sane, progressive legislation.—In the midst of his labors M. Clemenceau narrowly escaped death on February 20, when he was shot, but not seriously wounded, by Emile Cottin, a French anarchist. His assailant was condemned to death on March 14, but at the instance of the Premier this sentence was commuted to ten years' imprisonment. — Angry protests and threatening manifestations were made by the Radical Socialists when it was announced on March 30 that Raoul Villain, who shot Jean Jaurès, the French Socialist leader, at the outbreak of the war, had been acquitted by the Court of Assizes. —From statistics published on January 22 by the Minister of War the number of **men mobilized** by France during the war totaled 128,372 officers and 5,064,000 men in the ranks. — Striking figures of **war expenditures** were given by M. Klotz, Minister of Finance, who stated on March 13 that more than 39,000,000,000 francs had been spent for artillery, 26,000,000,000 for shells and projectiles, and that 11,000,000,000

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were required to pay the troops. The total expenditures of the Ministry of War were 119,000,000,000 francs, while the Navy Department spent only 6,000,000,000. — In October a bill was enacted giving the government entire control of all **French railways** during the war and for a period of twelve months after its termination.—The new **Electoral Reform bill,** passed by the Chamber in May by a vote of 287 to 138, was debated and amended in the Senate, where the measure passed by a vote of 129 to 4. The principal feature of the new law is the abrogation of the "scrutin d' arrondissement" and the revival of the "scrutin de liste" or "general ticket" system. The law also provides for the application of the principle of **proportional representation** in elections in which no party list has secured an absolute majority in the votes cast. **Parliamentary elections** have been set for October 12, 1919. On April 3, during the debate on the Electoral Reform Bill, two important **amendments** were submitted: the first, presented by Henry Roulleaux-Dugage, providing that deputies might be elected without distinction of sex, was defeated by a vote of 302 to 187; the second, submitted by Louis Andrieux, giving the head of the family the right to vote without distinction of sex, was also defeated by a vote of 335 to 134. — The months of May and June were marked by **serious labor disturbances,** although a far-reaching eight-hour bill became law on April 23. On May 1, under Socialistic direction, all labor organizations in Paris ceased work. The Government took a firm stand, using troops to suppress disorders. As a protest against this action several Socialist under-secretaries attached to the Peace Conference resigned, but the Chamber of Deputies sustained the Government by an overwhelming majority.—During June and July attempts were again made to oust the Government. The retention of the censorship angered some of the journalists, and serious economic and industrial questions, such as the high cost of living, the necessity for increased taxation, the need of imports and the difficulty of stabilizing exchange if freer importation were allowed, were centers of attack. The Ministry did not fall, but Clemenceau wisely strengthened it at the crucial moment. M. Boret, the Food Minister, was replaced by Joseph J. B. E. Noulens, a popular and able man, after the Chamber had by a vote shown its desire for a more energetic economic policy. Other ministerial changes were rumored, although confidence was expressed in the Government on July 23 by a vote of 289 to 176.—A **new political party,** called *La Democratie Nouvelle,* proposes to perpetuate the Clemenceau tradition of stamping out Bolshevism, to eliminate political parasites and to establish "a responsible and competent power governing in the spirit of free institutions". It would accomplish these ends by intelligent cooperation between all classes for the common good, complete separation of legislative and executive powers and the elimination of all unnecessary

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formality in government. The French representatives at the Peace Conference were M. Clemenceau, M. Pichon, M. Tardieu, M. Klotz, M. Cambon and M. Bourgeois.

ITALY. — War settlements, complications abroad and industrial disturbances at home produced a chaotic condition in Italian politics. On the **Adriatic question** Nationalists and Imperialists, under the leadership of Baron Sonnino, resolutely adhered to the Treaty of London (April 26, 1915), which provided among other things for (1) the annexation of a large portion of **Dalmatia**; (2) permanent retention of all thirteen islands of the so-called **Dodecannese** with their almost exclusively Greek population; and (3) inclusion within Italian boundaries of the German population at **Northern Tyrol**. These terms were contrary to the territorial aspirations of the Jugoslavs and the Greeks, whose claims the **Socialists** acknowledged to be at least worthy of arbitration. The tremendous **wave of nationalism** which set in after the brilliant victory of Diaz and the signing of the armistice (see *supra*, p. 10) strengthened Baron Sonnino's position, much to the despair of the anti-annexationists. Hoping to stem the tide, Bissolati, the Socialist Minister of Military Aid and War Pensions, resigned on December 28 in protest against the Sonnino policy, which, Bissolati maintained, would discredit Italy in diplomatic circles and involve her in war with the Jugoslavs, who by this time were openly hostile. In attempting to justify his resignation, he declared that Italy should be content with Fiume as a free port under Italian rule, and Istria. Rather than drive Greece into an alliance with Jugoslavia he would have Italy relinquish claim to the Dodecannese in return for proper compensation. These principles were supported by part of the Ministry and by the Socialists and Clericals in parliament. The resignation of Bissolati proved to be the prelude to a ministerial crisis. Although President Wilson received a great ovation on his visit to Italy at the opening of the year it soon became definitely known that the United States was not in accord with the imperialistic policy of Baron Sonnino and especially with his views concerning Fiume. Signor **Nitti**, Minister of the Treasury, offered to leave office on January 12. A few days later, together with the other Moderates, he tendered his resignation. Nitti undoubtedly desired to force the Prime Minister and Sonnino from office in the hope that he would be called upon to form a Government which, with strong Socialist and Clerical support, would repudiate the Treaty of London and institute a policy of concessions to Jugoslavia. Instead, however, Orlando and Sonnino retained their portfolios, though a number of ministerial changes were made. A ministry of Reconstruction for Invaded Territory was created and Signor Fradeletto, former Minister of Public Instruction, was made its chief. The new ministers were all staunch supporters of Italy's claims

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to Fiume and the Dalmatian coast.—After laboring for weeks in an effort to persuade the Italians to modify their claims, President Wilson on April 23 issued an emphatic public statement in which he stressed the importance of **Fiume** to the newly liberated states and made a direct appeal to the Italian people to forego the extreme demands of their Government and to win, by a policy of generosity, the friendship of their new neighbors. This appeal raised a furious clamor in Italy. Orlando and Sonnino, who temporarily withdrew from the Peace Conference, received an enthusiastic ovation on their return to Rome, and confidence in the Government was expressed by a vote of 382 to 40, the latter number coming from the *intransigeant* Socialist group headed by Signor Surato, which was uncompromisingly pledged to a policy of self-determination. But the reconstructed Orlando Ministry was doomed. The failure of the Italian delegation to satisfy the national aspirations in the Adriatic and the utter inability of the Ministry to cope with the internal problems, especially strikes and the rising cost of living, led to the **overthrow of the Orlando-Sonnino Government** on June 19 by a vote of 259 to 78. Nitti, known as a political lieutenant of Giolitti, was summoned by the King to form a cabinet. Taking the portfolio of Minister of the Interior, the new Premier selected as the more important members of the Ministry; Tommaso Tittoni, Foreign Affairs; Luigi Rossi, Colonies; Lieutenant-General Albricci, War; Francesco Ledesco, Finance; and Rear-Admiral Sechi, Marine. Despite vociferous opposition in the country, the Chamber on July 14, by a vote of 257 to 111, expressed confidence in the Premier.—The action of the **Vatican** in removing the restrictions upon the participation of Catholics in political affairs made possible the formation of the **Catholic Popular Party.** This organization was not over-friendly to the Orlando Government and at the time of Nitti's withdrawal it favored a compromise on the Adriatic question. After indicating that it stood for a rigid reorganization of the nation's finances, guaranteeing the rights of labor and a more equitable solution of the agrarian problem, the party in a manifesto stated that its program included proportional representation, reform of the Senate to make it representative of the nation's organic corporations, administrative decentralization and advocacy of a League of Nations on the lines of general disarmament, publicity of treaties and compulsory arbitration. Until the fall of the Orlando Ministry, Italy was represented at the Peace Conference by Signor Orlando, Baron Sonnino, General Di Robilant, Salvatore Barzilai, Marquis Salvago-Raggi and Signor Salandra.

RUSSIA. — During the past year there has been no diminution in the relentless opposition to the **Lenine Government.** That Lenine has survived seems to be due principally to two basic causes: The opposition groups, whether reactionary or otherwise, have been unable to

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unite sufficiently to drive the Bolsheviki from power; and the masses, either from fear of the reactionaries or for other reasons, have seemingly supported the Bolshevik Government. Little is definitely known about the internal political affairs of Soviet Russia. During the year it appears that Lenine, by admitting Martov into the Government, has allied himself with the **Mensheviks.** It has also been currently reported that he has come to an agreement with Schernov, the leader of the **Center Social Revolutionaries,** and that he has sought to gain the support of the professors and technical *intelligentsia.* — Opposition governments have been set up with only mediocre success. The first of these, the so-called **"Government of the North",** was established under the leadership of the famous revolutionary socialist, Nikolai Tschaikovsky, during the first weeks of August and shortly after the landing of allied forces at Archangel (see *infra,* p. 121). This government announced its assumption of power in a proclamation signed by the members of the abortive Constituent Assembly (see last RECORD, p. 51) representing the provinces of Novgorod, Archangel, Vologda, Viatka, Kazan and Samara. Its political program provided for the organization of Russia on a democratic basis, the reëstablishment of local self-government with universal suffrage, the reorganization of the national army, renewal of the war against Germany and the repudiation of the Brest-Litovsk treaty. Labor unions and war organizations were to be allowed to function freely and local governments were to control the food supply. While the new government abolished Soviet institutions and ordered the arrest of all Soviet officials, it retained the Bolshevist policy of nationalizing various branches of industry and finance. Although financed in part by the British, backed by the Social Revolutionists and the Menshevik wing of the Social Democrats and strengthened by the presence of allied troops, Tschaikovsky's government was overthrown on September 8 and its leaders expelled from Archangel. This bold stroke was the work of a group of reactionaries headed by an army officer named Chaplin, anti-German and anti-Bolshevik and not unfriendly to the Entente. Allied diplomatic and military chiefs at Archangel asked that Tschaikovsky's government be restored to power. Their summary demand was complied with on September 12. The restored government, however, assumed a position subordinate to a government set up in September at **Samara** on the Volga by 200 members (moderates) of the Constituent Assembly which had been dissolved by the **Bolsheviki.** This government, which proposed to assume control of all Russia, was headed by Avksentief, formerly Minister of the Interior in the Kerensky Cabinet, assisted by General Alexeieff, the well-known military leader. With the capture of Samara by the Bolsheviki the new government ceased to function.—A serious effort to centralize authority and unify action in combating Bolshevism was made late in Sep-

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tember when a **national congress** assembled at **Ufa.** This meeting was attended by members of the Constituent Assembly, representatives of the provisional governments of Siberia, the Cossacks, the Kirghiz Tartars, the Zemstvos and all political parties except the Bolsheviki, social bodies and labor groups. — It organized an **All-Russian provisional government,** claiming to be the successor of the Kerensky Government of 1917 and, as such, to have dictatorial power. It chose a directorate of five members consisting of Nikolai Avksentief (Socialist) as president; Peter Vologodsk (Socialist) of the western government of Siberia, as prime minister; N. Tschaikovsky (Socialist) of the Archangel government; N. Astrov (Cadet), former Mayor of Moscow; and General Vassili Boldrev (non-party) as commander-in-chief. This government, supported by Kerensky, was forced out of Europe in October; it joined the government of **Omsk** and became the fourth to be set up in that city.—Siberia, too, had had its succession of anti-Bolshevik governments. In May, 1918, General **Semenoff** and General **Kolchak** set up an independent government in Eastern Siberia beyond Lake Baikal. On July 14 General **Horvath,** at Harbin, had appointed a provisional war cabinet for Siberia, styling himself prime minister. During the same month another **provisional Siberian government** was established at Omsk but was overthrown. It was quickly followed by still another, which met with a similar fate. Minister of War Mikaelov unsuccessfully attempted the overthrow of a third. At Omsk efforts were made to build up a powerful army, with the **Czechoslovaks** as a nucleus; they, however, wished to return to their native land. On November 7 an appeal was presented to President Wilson by President Avksentief, asking for American and allied recognition and aid, but in less than two weeks Avksentief was in prison and the supreme power was in the hands of Kolchak, aided and abetted by Horvath, who announced the *coup* as a counter-measure against the radicals. By this action Kolchak, reported to be anti-Socialist and anti-Semitic, militaristic and monarchistic, eliminated the few remaining radicals. His government proved to be more stable than its predecessors; its reputation for establishing "law and order" and the military success which it achieved against the Bolsheviki finally resulted in its **conditional recognition** on June 12 by Japan and the Council of Four. Kolchak agreed to hold elections for a constituent assembly as soon as he should reach Moscow, or, if conditions should then be too disturbed to hold elections, to reconvoke the former constituent assembly and to recognize the independence of Finland and Poland and come to an amicable arrangement with other governments in the territories of the former Russian empire. The associated powers in turn agreed to supply arms, munitions, food and money, but not troops, in assisting the recognized government. — Following the landing of allied

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forces at **Vladivostok** and at **Murmansk** (see last RECORD, p. 56) there was considerable agitation in the allied countries for **military intervention** on a large scale, but the United States, believing it would result in greater confusion and misunderstanding, was reluctant to accede to such a course and was supported by the liberals of the allied countries. By August 3 the American Government concluded that a certain measure of military action was justified. A statement of **American intentions** was issued declaring the "only present object" for which troops would be employed would be to guard military stores and to render such aid as might be acceptable to the Russian people in the organization of their own self-defence. It further declared that the United States did not contemplate interference with the political sovereignty of Russia or intervention in her internal affairs. On August 8 the British Government issued a similar declaration, stating that it would retain no Russian territory and that it was for the Russian people "to decide their form of government and to find a solution for their social problems". Like assurances given by the Japanese Government were concurred in by the other Allies. Meanwhile on August 4 allied troops had landed at Archangel and Vladivostok. Neither of these expeditions contributed in any measurable degree to the defeat of Germany but rather served to irritate the Soviet Republic. Apparently fearing that the diplomatic representatives of the allied countries might assist the anti-Bolshevik elements in the north, the Soviet authorities insisted that the **allied envoys** stationed at Vologda should either go to Moscow or leave the country. The latter chose to move to Archangel within the protection of allied troops. The Lenine Government declared that a "**state of defense**" existed between the Soviet Republic and the Entente countries. On August 2, however, the Soviet authorities in Petrograd advised the American vice-consul that a state of war existed between Russia and the United States, whereupon he lowered his flag, notified all Americans to leave the country and turned over his interests to the Norwegian consul. The tension was not lessened when on August 10 the Bolshevist authorities in Moscow arrested and forcibly detained the French and British consuls stationed in that city, intimating that such action was in retaliation for the attack of the British upon Bolsheviki at Archangel. In reprisal Great Britain promptly placed **M. Litvinoff**, the Bolshevist emissary in London, under arrest. These events were followed on August 29 by the publication of a decree by the Soviet Government ordering the arrest and internment of all French and British subjects between the ages of 18 and 40 on the charge of rendering assistance to the anti-Bolshevists. Two days later the British Embassy at Petrograd was forcibly entered and sacked by Bolshevik troops and a naval attaché who tried to defend it was killed. The British Government protested against this

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act, demanded immediate reparation and punishment for the guilty parties and threatened to outlaw the members of the Soviet Government if it should fail to give complete satisfaction or should permit further acts of violence against British subjects. By September 8 it was announced that the British and Bolshevik authorities had reached an agreement, whereby the British and French diplomatic and consular officers were released in exchange for the Bolshevik representative at London and such other Russian citizens as wished to accompany him. Accordingly on September 25 Litvinoff and a group of his compatriots left the English capital. The American consul at Moscow, acting under orders of the State Department, left Russia and arrived at Stockholm on September 26. Completely encircled by enemies, frightened by the successful terroristic acts which led to the death of prominent officials and fearing a counter-revolution, the Soviet Republic had decreed a **reign of terror.** The wholesale execution or imprisonment of all persons suspected of disaffection toward the Bolsheviki was not lessened by the unsuccessful attempt on the part of **Dora Kaplan,** a member of the Social Revolutionary party, to assassinate Premier Lenine on August 30; nor were the vigorous protests of the neutral diplomats at Moscow against the outrages of the Bolshevist terror of any avail. Finally the United States, in an effort to check the indiscriminate slaughter, addressed an appeal to all the associated and neutral governments urging them to express their condemnation of the ruthless barbarism. Similar appeals were issued by the Ukrainian council and by anti-Bolshevist organizations in Russia, and it was even reported that the German military authorities, alarmed by the horror and indignation excited all over the world by these outrages, brought pressure to bear upon the Bolsheviki. Finally a decree rescinding the reign of terror was issued by the Soviet Central Executive Committee on September 26. On October 24 **Tchitcherin,** the Bolshevik Minister of Foreign Affairs, made ineffectual overtures to the United States and the allied governments for an **armistice** with the Entente.—After several months of negotiation three **agreements supplementary** to the **Brest-Litovsk treaty** were signed in Berlin by the representatives of the two contracting parties. By these treaties, ratified on September 6, Russia was to "employ at once all the means at her disposal to expel the Entente forces from North Russian territory in observance of her neutrality", and in return Germany guaranteed to prevent Finnish attacks on Russian territory. Russia furthermore agreed to renounce all sovereign claims to the Baltic states of Esthonia and Livonia and all interference in their internal affairs. Russia was assured an outlet for transit of goods through Esthonia, Livonia, Courland and Lithuania and was also to enjoy free harbor zones on the Baltic. Germany agreed to guarantee the security of the Russian coastal and fishing

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fleets in Russian waters. While Russia consented to German recognition of **Georgian independence,** Germany agreed to evacuate the districts on the Black Sea (with the exception of the Caucasus) as soon as peace should be concluded between Russia and the Ukraine. Concerning the Don coal basin, an arrangement was made by which Russia should receive three tons of coal for every ton of oil which Germany should receive from Baku, but Germany should obtain at least one-fourth of Baku's total oil output. Russia agreed to pay 6,000,000,000 marks to Germany, partly in gold and ruble notes, for the indemnification of Germans who had suffered loss on Russian territory and for the expenses incurred by Germany in housing and feeding Russian prisoners. Of this sum, 1,500,000,000 marks in cash were to be paid in five installments, the first to be due September 10 and the last December 3, 1918; 1,000,000,000 marks in goods were to be paid in quarterly installments continuing until March 31, 1920; 2,500,000,000 marks were to be floated as a six per cent. Russian loan; and the remaining 1,000,000,000 marks were to be paid jointly by Ukraine and Finland, although payment was guaranteed by Russia. The first installment of the **Russian debt** having been paid during October, the Germans, in accordance with an agreement of September 15, began to evacuate all Russian territory, and the evacuated regions were immediately occupied by Bolshevist troops. On November 4 it was stated that the Soviet Government had stopped payment on the war indemnity; two days later the German Government, having previously discovered that the Russian embassy at Berlin was a center of revolutionary propaganda, demanded the withdrawal of all **Russian diplomatic representatives.** In view of this demand it is interesting to note that in September the United States officially published a series of **sensational documents** obtained in Russia, purporting to show that intimate relations had existed between Germany and Lenine and Trotsky from the very inception of the Bolshevist movement.—The allied troops in Russia were not withdrawn after the signing of the **armistice with Germany;** their retention was due to the prevailing opinion of Russian anti-Bolshevists and conservative statesmen the world over that the Soviet Republic should be overthrown, Bolshevism destroyed and a government of "law and order" substituted for the Lenine régime. Two methods of procedure were possible: either to crush the Bolsheviki by **military force,** or to surround them with a **cordon** of hostile states and armies, isolate them and by means of a stringent blockade starve them into submission. Both alternatives were tried. The troops in northern Russia and Siberia were to continue their cooperation with the anti-Bolshevik and Czecho-Slovak forces. In November **French troops** occupied Odessa. These expeditions were not successful and, with the exception of the landowners, former officials and part of the Cossacks, the Russian people

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did not rally to their support. The Allies were reluctant to withdraw their troops even though **insistent demands** were made by the Soviet authorities and by individuals in Europe and America. In supporting his resolution demanding the withdrawal of American troops from Russia, Senator **Hiram Johnson** of California on January 29 characterized **allied intervention** as a "miserable adventure" and allied dealings with Russia as an "exhibition of the crassest stupidity". Among those defending intervention were Senator Hitchcock of Nebraska, Stephen Pichon, French Minister of Foreign Affairs, and Lord Milner and Lord Curzon of Great Britain. In January a proposal made by the British Government for a more **conciliatory policy** toward Soviet Russia failed, and then the second alternative, the **"sanitary" cordon,** was employed. Allied forces held the gateway to the north; Czechoslovak, Russian and allied troops controlled the trans-Siberian railroad eastward from Omsk; Cossack and British troops dominated Turkestan and trans-Caucasia; an allied squadron in the Black Sea supported the French and Greek forces at Odessa; and buffer states barred the western front. This plan resulted in a **desultory war** between the Bolshevists and anti-Bolshevists which is now of over a year's duration. On the northern front the Allies and Russian White Guards, totaling approximately 15,000 men, achieved only slight military success. After a storm of criticism, it was officially stated on January 17 that all allied forces on this front would be withdrawn as soon as possible. On April 10 it was officially disclosed that the American forces were discontented and had threatened a general mutiny, and in June they were withdrawn. The **speedy departure** of all the allied troops from the northern front was indicated by Mr. Churchill when in the House of Commons on May 30 he explained that all military operations on this front would be transferred to the Russian troops opposed to the Bolsheviki. The British contingents were withdrawn on June 14.— On the eastern or Siberian front considerable progress was made at first by the combined anti-Bolshevik forces under the unified command of the French general, Jules Janin. The troops on this front were aided by the appointment in February of an **interallied committee** for the supervision of the Siberian railway system. In March the anti-Bolshevist forces held a line running from Omsk westwardly through Orenburg beyond Perm to the northwest. During the spring this line was slightly advanced, but in May Kolchak's armies encountered severe defeats. During June and July they strove desperately to regain their lost ground, but the Bolshevik forces succeeded in taking the important center of Ufa capturing Perm, and by the end of July the Siberian armies were hard pressed against the Urals.— Little headway has been made on the **southern fronts.** To the north of the Caspian the **Ural Cossacks** in April began

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an unsuccessful offensive in an effort to connect their lines with the Orenburg Cossacks on the left wing of the main Siberian army. In March the Cossack generals, Krasnov and Denikine, aided by the British, were holding the region between the Black and Caspian seas and were hoping to advance up the Don and the Volga. In less than two months the **Don Cossacks** were almost surrounded by Trotsky's forces and Denikine's army was being attacked by Bolsheviki on the north as well as by Georgians on the south. The British were forced to give up the valuable trans-Caspian region but Kolchak's hold on Orenburg prevented the Bolsheviki from deriving any advantage from its acquisition. By August 1 General Denikine, aided by British tanks, munitions and men, had achieved brilliant and phenomenal victories over the Bolshevik armies. Not only did he retake the Don and Donetz basins, but large quantities of supplies and booty were reported to have fallen into his hands.—With the overthrow of Skoropadski, a Cossack hetman set up by the Germans as dictator in the **Ukraine,** the Poles seized Kholm and Eastern Galicia; the Rumanians with French sanction occupied Bessarabia; the Turks claimed Crimea; the Cossacks, aided by the British, attacked the Ukrainians on the east and the Bolsheviki pushed down from the north while French, reinforced by Greeks and Senegalese, occupied Odessa. The **Ukrainians,** opposed to all these claimants, rallied around General **Pettiura** and Vladimir **Vinnichenko,** former Premier of the Ukraine Republic, both members of the Social Democratic party. These leaders had sufficient men but lacked money, officers and transportation experts; and their urgent appeals to the Allies for assistance met with no response. In March Pettiura was driven out of **Kiev** after having failed to gain the aid of the French, who were willing to render assistance only on condition that France should have complete military and industrial control of Ukraine for an indefinite period. Two months prior to the evacuation of Kiev the petition of the Ukrainian representative at Paris for admission to the Peace Conference as the representative of an independent state was refused. The situation was more complicated when it became known that the French were committed to support the Poles in their claim to Eastern Galicia where the population is predominantly Ukrainian, except in the city of Lemberg (see *infra*, p. 127). The peasants, convinced that the British and French, especially the latter, intended to deprive them of their land and liberty and to set up a reactionary régime, joined the ranks of the Bolsheviki. Instead of pushing triumphantly northward and winning brilliant victories over the Bolsheviki and capturing Kiev, as was fictitiously reported, a **Franco-Grecian army** of 50,000, after advancing a short distance from the coast, was defeated and abandoned Odessa on April 6. By May 1 Kherson and Sevastopol were in the hands of the Bolsheviki.—To the west a Franco-Rumanian

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expedition, organized in November by General Berthelot, advanced toward Kiev in December, but was soon forced to retire to the Rumanian frontier. In May Kiev was recovered by General Pettiura, who threatened the Bolshevik communications to Odessa. — That a **policy of conciliation** was to be used in handling the Ukrainian situation seemed evident when on May 3, in response to a renewed appeal for help, President Wilson invited the Ukrainian government to send a delegation to Paris to confer about the territorial claims in dispute between the Ukrainians and the Poles.—After the withdrawal of the Germans the **Kingdom of Lithuania** proclaimed itself an independent republic and elected **Karl Ullman** as president. In March it was announced that Lithuania had been recognized by Switzerland, Denmark and Sweden.

POLAND.—Distracted by the ambitions and jealousies of various political groups, reborn Poland has been beset with difficulties. The **Steckowski cabinet,** representing middle-class liberal interests, was succeeded in the latter part of October by a **reactionary government** headed by **Swienzynski.** Failing to receive support, the new cabinet attempted to abolish the **Polish Regency Council,** but was dismissed by the Council which on November 14 entrusted General Pilsudski with dictatorial power. He at once formed a new Ministry, assuming the portfolio of Minister of War; Andreas Moraczewski, a Galician Socialist leader, was made Prime Minister, and Leon Fasikewski, a journalist, was made Minister of Foreign Affairs. The other members included representatives of Russian, Austrian and Prussian Poland. Pilsudski set to work to stamp out Bolshevism and to inaugurate a constructive program. His government, however, was hampered by the National Democrats and the aristocratic and imperialistic party led by M. **Paderewski,** who claimed to represent four million Poles in America, and by **Dmowski,** who headed the **Paris Committee of Exiled Poles,** a group which was reputed to have the support of the British and French reactionaries. After abortive attempts to seize and intimidate the Pilsudski government, Paderewski on January 19 succeeded in forming a coalition cabinet for the "Provisional Government of Poland". In the new government M. Paderewski became Premier and Foreign Minister; M. Wojciechowski, Minister of the Interior; M. Honcia, Minister of Commerce; M. Englich, Minister of Finance; M. Janisseewski, Minister of Pubic Health; M. Eberhardt, Minister of Communications; M. Lindq, Minister of Posts and Telegraphs; M. Janicki, Minister of Agriculture; M. Przesmycki, Minister of Arts; M. Ivonovski, Minister of Labor; M. Minkiewicz, Minister of Food; M. Suinski, Minister of Justice; M. Pruchnik, Minister of Public Works. A **constituent assembly,** elected by decree of the new government, met at Warsaw on February 9, the seats being distributed as follows: National Democrats, 91; Polish Peasants, 51;

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Peasants' Union, 19; Socialists, 14; Workmen's Unions, 7; Jewish Party, 8; United Polish Peasants, 6; German Colonists, 2.—The **Paderewski government** has had a stormy career; in its desire for an **enlarged Poland** it came into conflict with the Czechoslovaks who coveted Austrian Silesia, rich in mineral resources. This difficulty was temporarily adjusted when the Peace Conference notified both hostile parties that pending the final adjustment of the Czecho-Polish frontier the disputed zone would be occupied by allied troops. A similar conflict of over a year's duration, which is still unsettled, has raged in eastern Galicia between the Poles and the Ukrainians. The rich oil regions appear to be the objective desired by both belligerents. The continued Polish successes compelled the Ukrainians on May 19 to request an armistice. The Ukrainian National Committee asserted that 75 per cent. of the population of Galicia is Ukrainian and in a memorial to President Wilson on July 9 protested against the ratification of any treaty giving the Poles control of eastern Galicia.—On the eastern frontier there has been almost incessant warfare between the Poles and the Russian Bolsheviki.—The Lithuanians, a portion of whose territory has been occupied by the Polish armies, have vehemently protested against such occupation on the ground that it violated their national rights and their aspirations for an autonomous Lithuania.—The Poles have also had trouble with the Germans on the western frontier. — They were dissatisfied with the terms of the special **Polish treaty** signed by the principal allied and associated powers on June 28, by which Poland is bound to protect minorities against discrimination, to assume payment of such a share of the Russian debt as should be assigned to her by the Interallied Commission and to support important international postal, railway, telegraphic and other conventions incidental to the status of nationality.—The assembly on May 26 declared that there would be no forcible annexation of Lithuania and at the same time expressed its confidence in Premier Paderewski. — Reports of anti-Jewish **pogroms** in many Polish cities led to bitter denunciation of the government, but Paderewski issued a statement to the effect that practically no pogroms had occurred in Poland during his tenure of office. Hugh Gibson, American Minister at Warsaw, later officially announced that reports of pogroms were "very much exaggerated". An allied mission composed of Henry Morgenthau, General Edgar Jadwin and Homer Johnson has recently been dispatched to Poland to investigate conditions. Reports of **food scarcity** with resultant misery and starvation in urban centers were current in June and July.

FINLAND.—Soon after the announcement on October 9 that the Finnish Landtag, from which nearly all the Social Democratic deputies had been excluded, had elected **Prince Frederick Charles** of Hesse, brother-in-law of the German Emperor, as King of Finland,

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France severed the semi-official relations which had for some time been maintained with Finland. On October 13 Finland requested Germany to withdraw her troops from Finnish territory, but it was not until after the collapse of Germany that the Finns were able to rid themselves of German influence. On December 13 a **peaceful revolution** was effected when the resignation of Dictator Svinhufvud, pro-German in sympathy, was accepted by the Landtag and Prime Minister Paaskivi was succeeded by General **Mannerheim,** the organizer of the Finnish White Guard, who was also made Regent and as such practically had dictatorial power. After completing the task of ridding his country of all Bolshevist activities, he directed his efforts against the Russian Reds. As a necessary preliminary to a campaign against Petrograd in which the Finnish army was to play a prominent part, the independence of the **Republic of Finland** was recognized by the British and American Governments on May 5. It is interesting to note that the Finns have laid claim to a considerable portion of the Russian borderland from the Murmansk and Karelian coasts down to the gulf of Finland, and it is possible that unless Russia as a whole is reconstructed, Finland and Esthonia may unite to form a single national state including Petrograd. On July 25 the Diet elected Professor K. J. **Stalberg** president of the republic by a vote of 143 to 50 over his opponent, General Mannerheim. Professor Stalberg, who for several years has been the leader of the **National Progressive party,** is a staunch advocate of democratic reforms.

AUSTRIA-HUNGARY.—The collapse and disruption of the Dual Monarchy was clearly foreshadowed by the chain of events which rapidly succeeded each other following Baron **Burian's** futile peace drive of July 15. Racial quarrels coupled with scarcity of food, unemployment and war-weariness resulted in strikes, riots, demonstrations against the government and, not infrequently, in formidable separatist movements. In **Austria** the Seydler Government lasted until July 22, when it resigned and Baron von Hussarek, more acceptable to the Polish element, became Prime Minister. After reappointing all the members of the former ministry, with the exception of Seydler, he announced a program which called for a complete reorganization of the finance, administration and food departments. On August 16 further extensive reforms were promised, including revision of the constitution, federalization of the empire and grant of autonomy to the Czechs and other non-German people whose attitude had been a constant embarrassment to the Government. Lack of harmony among the various groups prevented the execution of any reforms and only the support of part of the Polish deputies enabled the Hussarek Ministry to remain in office until October 5. On October 26 Dr. Heinrich Lammasch, a peace advocate, was tendered the premiership but it was then too late to check the process of dissolution

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which had set in. — On the Italian front the Austrian armies were being battered to pieces; throughout the empire **anarchy** reigned. **Revolutionary demonstrations** against the Hapsburgs occurred everywhere; a so-called constituent German national assembly met at Vienna on October 21 and in a unanimous resolution declared it to be the will of the German people in Austria to determine their own destiny and form an independent state. On the 30th, amidst the acclamations of students, soldiers and workmen, a provisional government was organized and a republic proclaimed. The climax came on November 3 when the **Emperor abdicated.**. At this time a powerful group of German Austrians, known as the German National Committee, expressed their desire to be annexed to Germany.—In **Hungary** the movement to sever relations with Austria proceeded rapidly. As early as October 17 the Diet adopted a resolution declaring Hungary to be entirely independent except for the personal union through the Emperor; such action virtually involved the abrogation of the Joint Ministries. A week later Count **Karolyi,** for many years leader of the Hungarian Independent party, in a sharp attack on the Ministry demanded the resignation of Dr. Wekerle, the Prime Minister, with the result that on October 25 the latter retired in favor of Count Albert Apponyi, whose tenure of office was of short duration. In desperation the King attempted to save his dynasty by summoning Karolyi to form a ministry and causing a proclamation to be issued announcing his intention to concede the independence of Hungary; but it was too late. On November 1 the assassination of Count Tisza, a former reactionary premier, was announced and the next day Count Karolyi informed the Diet that the Emperor had freed the Government of its oath of fidelity. The following day the parliament, styling itself a National Assembly, proclaimed Hungary a **republic** with Count Karolyi as Prime Minister and Count Batthyani as minister of foreign affairs. The other members of the cabinet belonged either to Liberal or Radical groups. The republic was formally proclaimed on November 16. The new Government was enthusiastically welcomed and at once restored to the nation the rights which had been denied it by the old régime. The **Republic of Czechoslovakia,** the first of the new states to be organized on the ruins of the Austrian-Hungarian Empire, composed of the former Austrian territories of Bohemia, Moravia, part of Silesia and the district of Hungary known as Slovakia, has a population of about 13,000,000. The Czechoslovak National Council, recognized by all the leading Entente governments as the new nation's provisional government, had its headquarters in Paris, where on October 18 it adopted a **declaration of independence.** Ten days later a republic was proclaimed at Prague. A draft of the constitution, modeled after that of the United States, was completed November 2, and on the 10th Professor T. G. Masaryk, chairman of the **Czechoslovak**

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National Council, was elected first President by representatives of the eight political parties assembled at Geneva, Switzerland. His election was ratified at the first session of the National Assembly on November 10. Dr. Karl Kramarz was chosen Premier and Voita Benes Minister of Foreign Affairs. Professor Masaryk assumed the duties of his office on December 20. The young republic has been confronted with serious boundary disputes with Poland and Hungary as well as internal troubles of a political nature, due largely to the policy of Premier Kramarz who has long been identified with the Czech conservatives and who openly favored the maintenance of large landed estates. Increasing opposition by the Agrarians and Socialists finally led to the fall of the Kramarz cabinet on July 5 and a **new ministry,** consisting only of Social Democrats and Agrarian Socialists, headed by the Socialist Vlastimil Tusar, Prime Minister, succeeded to power. The dispute with Poland over the Teschen coal-mines has been referred to a mixed commission. — The **Jugoslavs,** or southern Slavs, comprising the three national elements of Serbs, Croats and Slovenes, numbering approximately 12,000,000 and occupying the territory formed by Serbia, Montenegro and portions of the former Hapsburg empire, succeeded toward the close of 1918 in forming a **unitary state.** To counteract this plan the Emperor promised to form Bosnia, Herzegovina and Croatia into a single autonomous state of the Empire. The promise was disregarded and on November 3 a **Jugoslav government,** republican in form, was formally proclaimed at Agram, Croatia, and Joseph **Pogaonik** was chosen President. Three weeks later the Jugoslav National Council voted for union with Serbia and Montenegro and to bestow the regency upon Crown Prince Alexander of Serbia. Accordingly on December 1 a delegation of 24 members of the National Council journeyed to Belgrade and in an address to the Prince Regent urged unification of all the Serbs, Croats and Slovenes, and, as a step toward this end, the creation of a representative body consisting of all the members of the Agram National Council, 50 Serbian and 5 Montenegrin delegates. This representative body was to remain in session until a constituent assembly should be elected. Prince Alexander, replying in the name of his father, King Peter of Serbia, proclaimed the union of Serbia and the other Jugoslav countries. Simultaneously the **Grand National Council of Montenegro** voted to depose King Nicholas and to unite with the new state. On December 21 it was announced that a ministry had been constituted under the leadership of the former Serbian Premier, **M. Protitch.** The new Government, which has been recognized by all the leading powers, began its career with a serious controversy with Italy over territorial boundaries; it has also been confronted by bitter opposition from those groups who are opposed to a unitary state and who favor a federated union. Tendencies of revolt against Serbian dominance

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have not been infrequent.—The **Provisional Government** of the newly created republic of German Austria, in a note transmitted to the diplomatic corps in Vienna early in January, expressed the hope that it would receive the recognition of all civilized nations. In elections to a national constituent assembly, held on February 16, the Socialist party received 1,210,000 out of a total of about 3,000,000 votes cast; the Christian Socialist party, 1,039,000; various groups of German Nationals, 593,000, while the balance was divided among pro-Bavarian, Czechoslovak and Jewish National factions. Herr Seitz was chosen President and in the cabinet appointed by the assembly on March 15 **Dr. Karl Renner** was named as Chancellor and **Otto Bauer** as Secretary of Foreign Affairs. The German Nationalists declined to accept portfolios. The Government, conciliatory in attitude, has attempted to socialize industry, to better the condition of the agrarian population and to bring about cooperation between the productive workers of town and country. In its efforts, both domestic and foreign, it has been severely handicapped by internal troubles due largely to scarcity of food, unemployment and the spread of Bolshevist doctrines. These factors were in part responsible for **serious outbreaks** during the spring and early summer, culminating in a great **Communist demonstration** in Vienna on June 15. This was quelled but popular discontent was not allayed. On June 21 the railway men, who struck for higher wages in March, again demanded more pay, which was promised. The embarrassing position of the government was not lessened when the terms of the **Austrian Peace Treaty** became known. The economic and territorial provisions were violently criticized and popular indignation ran high.—A diplomatic crisis with Soviet Hungary developed in July, which resulted in the demand that the Hungarian Minister, Czobel, be recalled. Owing to opposition on the part of the allied governments and to a growing realization of the tremendous burdens Austria would have to share, the plan for union with Germany, at first enthusiastically advocated, was finally abandoned.—Unstabilized, with utter lack of cohesion between the various political factions and menaced by the encroachments of her neighbors, the new **Hungarian Republic,** under the leadership of Count **Michael Karolyi,** faced tremendous difficulties from its inception. In November Karolyi succeeded in concluding an armistice with General d'Esperey, which, among other things, fixed a line of demarkation beyond which no belligerent army was to advance. Despite this agreement, the Rumanians and Serbs advanced some distance into Hungarian territory while the Czechs occupied Slovakia and the Danube district. Through these activities Hungary lost the Banat region, which had been her great source of food supply, and her northern coal-mines upon which her industrial life depended. By the middle of January the hunger of the populace, especially in Budapest, coupled with the

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seeming inability of the Karolyi Government to solve the menacing social and economic problems which beset the country, led to a critical situation. Meanwhile Bolshevism was spreading and a Communist revolt under the leadership of the extremist **Bela Kun** broke out with such violence that the Government was forced to declare martial law and use troops to retake parts of the capital that had fallen under control of the rebels. The hand of the Karolyi Government was not strengthened by the **boundaries** established by the Interallied Supreme Council between Hungary and her neighbors, Rumania, Serbia and Czechoslovakia, and the announced intention of the Allies to subject Hungary to military occupation. In March several events precipitated a crisis. Among these was an order issued by the Paris Conference directing the Hungarians to withdraw to the Rumanian boundary as fixed by the **Rumanian Treaty** of 1916 and the establishment of a neutral zone on the Hungarian-Rumanian frontier, 140 miles long and 40 miles wide, to be occupied by allied troops. This decision was rapidly followed by the announcement on March 22 that allied troops had occupied the greater part of Hungary for the purpose of suppressing plundering bands of Bolsheviki. Angered and disgusted by the action of the Paris Conference and beset on every side by the extremists, Karolyi on March 22 announced the resignation of his moderate cabinet and at the same time issued a manifesto in which he appealed to the proletariat of the world for justice and support. The **Budapest Workmen's Council** immediately formed a radical ministry with Alexander Garbai as President and Bela Kun as Minister of Foreign Affairs. This Soviet government carried on almost continuous warfare with Rumania, Jugoslavia and Czechoslovakia, all three of which sent troops into Hungarian territory. On April 2 the Paris Conference sent General Smuts to Budapest with power to negotiate a new armistice. In May the Hungarian troops won numerous successes especially against the Czechs, but following an appeal by President Masaryk of Czechoslovakia to the Peace Conference for help, the Allies in an ultimatum on June 9 threatened to use "extreme measures to constrain Hungary to cease hostilities" if it did not refrain from further attacks on the Czech forces. The threat was unavailing and the Allies have since openly assisted in drawing tighter a military and economic cordon around Hungary. In various parts of the country a spirit of counter-revolution has been evident during the last three months.

GERMANY. — The onslaught of the allied armies on the western front, the ominous signs that the German populace was tired of war and the firm position respecting peace taken by President Wilson, coupled with the vacillating policy of Imperial Chancellor von Hertling, augured ill for the reactionaries. The Chancellor's opposition to a policy of democratization and parliamentarization, together with his

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feeble and rambling speech before the Reichstag on September 25, evoked a storm of criticism, and he fell from power on the 29th. Vice-Chancellor von Payer followed Hertling into retirement. Von Hintze, who tendered his resignation at the same time, had proved to be a colorless figure during his term of office. In accepting these resignations on September 30 the Kaiser warmly expressed his desire for parliamentary reform. Two days later Prince **Maximilian of Baden,** a moderate and an opponent of the Pan-German and military party, was named Chancellor and head of a **coalition cabinet.** Dr. W. S. Solf, a moderate and Secretary for the Colonies, succeeded Hintze as Imperial Foreign Secretary. Adolf Gröber and Matthias Erzberger, representatives of the Center or Clerical party, Philipp Scheidemann, Majority Socialist leader, as well as Dr. Eduard David and Herr Bauer, both Socialists, were also given office. Representatives of neither the Minority Socialists, who had consistently opposed the war, nor the Conservatives or Pan-Germanists, who were furious at the idea of democratizing the administration and making peace, were included. Although the Chancellor labored consistently for **peace,** by mid-October there was widespread agitation for his retirement in favor of the Socialist leader Ebert. Rumblings of revolution began to be heard from the emboldened Socialists who, like Ebert, Scheidemann and others, in addressing the Reichstag openly demanded peace, popular government, and the abdication of the Kaiser; these demands, echoing throughout the country, soon bore fruit. On October 27 **General Ludendorff resigned** and on the following day the Kaiser signed a decree, published on November 3, accepting the **constitutional reforms** demanded by the Reichstag. Almost at once widespread mutinies occurred on the German fleet and in the German army. With secession threatened by many of the states, particularly Bavaria, the revolution fast gathered momentum. On November 7 the executives of the Majority Socialists laid before the Chancellor demands for the relaxation of police control, freedom of assemblage, a larger representation of Socialists in the cabinet and abdication of the Emperor and the Crown Prince. In lieu of a satisfactory answer a general strike was threatened. On November 8 great popular assemblages at which the abdication of the Kaiser was demanded occurred at Munich and other centers; and the following day the end came when the **Emperor abdicated** and took refuge in Holland. Within a week marked by political upheaval practically all the sovereigns of the various states had abdicated or were deposed, control passing in most cases peaceably into Socialist hands. Prince Maximilian before leaving office and with the assent of all the secretaries of state designated **Friedrich Ebert** as Chancellor. In the **new Provisional Government** legislative power was vested in a **Soldiers' and Workmen's Council** until a constituent assembly should be summoned and executive power in a

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cabinet composed of Friedrich Ebert as Prime Minister, Minister of the Interior and of Military Affairs; Hugo Haase, Foreign Affairs; Philipp Scheidemann, Finance and Colonies; William Dittmann, Demobilization, Transportation, Health and Justice; Otto Landsberg, Publicity, Art and Literature; and Richard Barth, Social Policy. These six men, styled the "people's commissioners", represented both the Majority and Independent Socialists. The government soon took new shape, however, when by decisions of the "**Council of National Plenipotentiaries**" or the "People's Commissioners" a more representative cabinet was named. In it the more important officials were: Dr. Solf, Foreign Affairs; Dr. Schiffer, a leader of the National Liberal party, Treasury; Dr. August Mueller, a Social Democrat, Economics; Dr. Koth, Industry and Demobilization; Emanuel Wurm, War Food; Dr. Bauer, Labor; Major-General Scheuch, War; Vice-Admiral Mann, Admiralty; Dr. Paul Krause, a National Liberal, Justice; and Dr. Ruedelin, Posts. Later Hugo Preuss was named Minister of the Interior and Matthias Erzberger, who conducted the preliminaries of peace negotiations in conjunction with the Foreign Office, became Minister without portfolio. Even prior to the enlargement of the cabinet it became evident that a bitter struggle for control was to ensue between the Majority Socialists and the Radical wing of the Independent Socialists who, chiefly under the leadership of **Karl Liebknecht**, released from prison on October 24, seemed determined to establish a permanent dictatorship of the proletariat. To this end the radical executive committee of the Berlin **Soldiers' and Workmen's** Council declared in late November that the People's Commissioners were merely its agents and, as such, subject to its authority. At the same time Liebknecht, Rosa Luxemburg and other extremists attempted to embarrass the Government by urging strikes in industrial centers, by carrying on active propaganda among the returning soldiers, and even by advocating the immediate overthrow of the Ebert régime. A test of strength between the Majority Socialists and the Radicals or "Spartacides" came when a **national conference** of 450 deputies representing the soldiers' and workmen's councils of all the states convened in Berlin on December 16. Here attempts by Liebknecht and other extremists to win adherents met with little success. The Spartacides continued their attacks on the Ebert government; strikes were reported in the Silesian and Westphalian coal mines, and on December 3 an armed revolt of sailors who sympathized with Liebknecht resulted in the death of about 100 persons. On Christmas day a Spartacus faction seized the offices of the Socialist newspaper *Vorwärts*. On December 28 at a joint session of the People's Commissioners and the central council an adverse attitude was taken toward the policy of the Radicals, and the Independents, Haase, Barth and Dittmann, retired from the Government, their places

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being taken by Majority Socialists including Noske. Sporadic efforts to drive the Majority Socialists from power and prevent the holding of elections for the National Assembly continued during the first weeks of the new year. In Berlin and the provinces the Spartacans tried to intimidate the Government; but with the exception of a serious outbreak resulting in a week of violent street fighting, occasioned by the dismissal on January 5 of Herr Eichborn, radical Chief-of-Police of Berlin, their efforts for the most part took the form of strikes and local brigandage. The backbone of the Spartacan resistance was broken for the time being by the sensational death on January 15 of Karl Liebknecht and Rosa Luxemburg, the extremist leaders. — **Elections** for members of the **National Assembly,** held on Sunday, January 19, were for the most part conducted in an orderly manner and on a basis of equal and universal franchise, each party electing representatives in proportion to the votes cast. The final returns showed that the Majority Socialists elected 166 delegates whereas in the last Reichstag they had chosen only 89; the Christian People's party, the reorganized Center or Clerical party, elected 93 (91 seats in 1917); the Democrat party, a combination of the former Progressive party (46 seats in 1917) and National Liberal party (44 seats in 1917) elected 75 delegates; the German National or Monarchist party, a fusion of the Conservative party (45 seats in 1917) and the Pan-German party (26 seats in 1917) elected only 34; the Minority Socialists (19 seats in 1917) elected 24; various minor parties elected a total of 11 delegates. Among the delegates were 34 women. Under pressure of the South German states and amidst a storm of protest from the reactionaries of Prussia the Government designated **Weimar** as the seat of the **National Assembly,** which convened for its first session on February 6. Dr. Eduard David, a Moderate Socialist, was elected president of the Assembly and Herr Fehrenbach, a Clerical, Haussman, a Democrat, and Dietrich, a Conservative, were chosen as vice-presidents.—A **provisional constitution** empowered the Assembly to adopt a permanent constitution, to enact "such national laws as were urgently necessary", to choose a national president by a majority vote, and to create a "committee of state" which would have in part the functions of a second chamber. It further provided that the territory of the German states should not be altered without their consent. In the election of the provisional president, held February 11, Ebert received 277 out of a total of 397 votes; Count von Posadowsky-Wehner, Monarchist, received 49; and Scheidemann and Erzberger, one vote each. Ebert's first official act as President was to ask Scheidemann to form a ministry. In the hope of preserving unity a cabinet of 14 members—7 Socialists, 3 Democrats, 3 Centrists and 1 Nationalist — was agreed upon. Scheidemann, the new chancellor, selected Dr. August Mueller

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as Minister of Economics; Bauer, Minister of Labor; Landsberg, Minister of National Defense and Justice. Upon Dr. David's resignation from the presidency of the National Assembly to enter the cabinet he was succeeded by Fehrenbach, the Vice-President. Erzberger also entered the Government without portfolio and Count von Brockdorff-Rantzau, who had followed Dr. Solf to the Foreign Secretaryship upon the latter's resignation in December, retained his portfolio.—The Coalition Government had scarcely been constituted when the **armistice terms** were laid before it; its final decision to sign after conferences with the party leaders led to the immediate resignation of Count von Brockdorff-Rantzau, who was opposed to acceptance. Upon receiving guarantees from the Government that the armistice commission would be more directly under the control of the Foreign Office, he consented to retain his office. During February and March there were various sinister **counter-revolutionary** activities. Moreover, unemployment and constantly increasing food shortage aided the Spartacan groups in their second attempt to set up a proletarian régime. At the same time the reactionaries lost no opportunity to embarrass the government. By February 15 serious strikes were spreading with alarming rapidity and by the end of February the whole country from Berlin to the Rhine was in the grip of strikes, political as well as economic.—A smouldering reactionary revolt in Bavaria was fanned into flame by the assassination on February 21 of **Kurt Eisner,** Bavarian Premier, by Count Arco Valley, a former officer in the Prussian Guard. In Saxony the Spartacans launched a movement to overthrow the bourgeois government. In Berlin, terrorist attempts to abolish the National Assembly were of daily occurrence and on March 2 the government issued an appeal to the nation for support and asserted its determination to wage relentless war against terrorist. Early in March a series of events culminated in a **crisis,** and the Independent Socialists did not conceal their intention to overthrow the government.—On March 3 a **general strike** called in Berlin not only paralyzed the city but rapidly developed into a radical revolt; this spread to Bremen, Leipsic, Zeitz, Hamburg, Königsberg and other cities, and fighting ensued. Alarmed at the situation, the government issued a statement to the effect that it was willing to compromise with the **Soldiers' and Workmen's Council** in their demands and that socialization on broad lines would be immediately carried out. These promised concessions were unsatisfactory to the Independent Socialists, who pressed a demand for a new ministry composed of Socialists only. The Conservatives and Centrists were also displeased at what they termed the half-capitulation of the Government to the radicals. By March 12 the situation was much improved. Owing to the vigorous policy of Minister of

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War Noske the revolt was suppressed and the strike was virtually ended by the acceptance of the **compromise offer** of the Government to recognize the councils as factors in the economic life of the nation but not as political bodies. Haase in the National Assembly on March 28 made a violent attack upon the Minister of War for his methods of dealing with revolutionists and strikers. Noske in reply declared that radical newspapers and periodicals, especially the *Freiheit*, were responsible for inciting the acts of pillage, brigandage and murder that had been committed in Berlin. Radical propaganda coupled with demands for food and for more liberal treatment by the Allies resulted in continued unrest and general disturbances throughout the entire country during April, May and early June.—**Strikes** and **riots** occurred at Stettin, Lübeck and Breslau. In the Ruhr basin more than 350,000 workers left the mines, demanding a six-hour day and an increased wage, liberation of political prisoners and the withdrawal of all government troops. Similar conditions prevailed at Essen and throughout Westphalia. Formidable efforts were made to establish Spartacan governments in Magdeburg, Hamburg, Bremen, Brunswick, Düsseldorf and other places. — Bavarian antagonism toward Prussia and lack of sympathy with the Weimar Government culminated in the proclamation on April 6 of a **Soviet republic** in Munich and the immediate socialization of all property in the community. The new government was short-lived. Premier Hoffman, after attempting to expel the extremists, summoned assistance from the national Government. President Ebert responded on April 21 by sending 30,000 troops under the command of Noske. The city was soon encircled and the Soviet régime collapsed. The period of civil strife cost Bavaria many lives besides property damage estimated at $62,500,000.—Meanwhile attempted revolts in Baden, Brunswick, Dresden and other centers were summarily crushed. Riotous demonstrations in Hamburg and Bremen were considerably affected by the ultimatum of Director-General Hoover of the Interallied Relief Organization, who threatened to cut off all food supplies unless order was maintained. — A second meeting of the **Soldiers', Workmen's and Peasants' Congress** convened in Berlin on April 7; the delegates comprised 138 Majority Socialists; 55 Independent Socialists, including Austrian delegates; 12 Democrats; 3 Peasants' League members; and 3 Communists. Owing to the intense rivalry between the Socialist groups little was accomplished. At the same time a **general strike** in Berlin, settled on April 19, resulted in the virtual recognition of the strikers' demand for a voice in determining engagements, dismissals and promotions of employees in all work except executive and directorate positions. On May 2 Field-Marshal **von Hindenburg** tendered his **resignation** as supreme commander of the army, to be effective upon the conclusion of peace. Germany played a silent rôle from the time of the armistice

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to the time when the draft of the **Peace Treaty** was handed to the German peace delegation on May 7. Advised by the Allies that it must send responsible plenipotentiaries to Versailles, competent to negotiate and to speak with authority, the Weimar government finally appointed Count von Brockdorff-Rantzau, Foreign Minister; Herr Landsberg, Minister of Justice; Dr. Melchoir, General Manager of the Warburg Bank; Herr Leinert, President of the Prussian Assembly; Herr Giesberts, Minister of Posts and Telegraphs, and Herr Scheucking. These delegates were aided by numerous expert advisers, including representatives of industry, finance and labor, and by professional and business men.—The **terms** of the Peace Treaty aroused a storm of protest throughout Germany where all parties united in condemnation of it. President Ebert declared that history held "no precedent for such determination to annihilate a vanquished people". Frederick Stampfer, editor of the Socialist *Vorwärts*, said the two vanquished parties in the war were "the German people and the American idea", while Theodor Wolff, editor of the Liberal *Tageblatt*, was of the opinion that Germany could not sign unless the treaty was materially altered. Prince Lichnowsky, former German Ambassador to England, thought it a peace of violence which would be equivalent to Germany's annihilation. Erzberger stated that the terms were not only unacceptable but impossible of fulfilment; and Professor Hans Delbrück vehemently declared, "We will open our gates to Bolshevism before we will sign such a peace". While the Foreign Minister and his fellow-delegates were making desperate efforts to induce the conference to modify the stringent terms of the treaty, serious conflicts were occurring in the eastern provinces, particularly in West Prussia and Silesia, where the German population seemed determined to resist Polish occupation.—Further anxiety was caused by an attempt to alienate the Rhenish provinces and to establish a **Rhine republic.** This movement culminated in a declaration of independence on June 1 and the establishment of a provisional government at Wiesbaden under the protection of French troops. Unsupported by the overwhelming German population the scheme soon collapsed, when German government troops ejected the self-proclaimed republican officials from office.—On June 16 the Peace Treaty in its final form was handed to the German envoys and the momentous question whether it should be signed or not led to the dissolution of party lines and an inevitable crisis. This was foreshadowed by the determination of Count von Brockdorff-Rantzau not to sign unless radical changes were made. In the cabinet Scheidemann, Giesberts, Landberg and Dernberg shared the Foreign Minister's opinion, but Erzberger, David and Noske favored affirmative action. In the party conferences 75 majority Socialists were in favor of signing and 30 were opposed; only 8 Democrats favored signing and 51 were opposed; 4 Centrists

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were in favor of unconditional acceptance and 69 of conditional acceptance. After learning the result of these test votes and hearing the opinions of representatives from the federal states, the Scheidemann Cabinet resigned on June 21, and was succeeded by another **Coalition Government** pledged to the acceptance of the draft treaty. The new Cabinet, headed by Dr. Gustave Bauer, Socialist and former Minister of Labor, was constituted as follows: Dr. Herman Müller, Majority Socialist leader, Foreign Affairs; Erzberger, Vice-Premier; Dr. David, Interior; Herr Wissell, Economics; Herr Schlike, Labor; Herr Meyer, Finance; Herr Giesberts, Posts and Telegraphs; Dr. Bell, Colonies; Noske, National Defense; and Dr. Robert Schmidt, Food.—On June 22, after Dr. Bauer had informed the National Assembly of the intention of his cabinet to sign the Peace Treaty, a resolution by Haase to the effect that "the National Assembly agrees to the signature of the treaty of peace" was passed by a vote of 237 to 138. This action was followed by severe condemnation of the Government by the reactionary press. On July 9 the **treaty was ratified** by a vote of 208 to 115, 99 deputies not voting.—The Bauer Government set itself to the task of carrying out the treaty stipulations regarding **Poland** and to the problems of economic rehabilitation and stabilization of the federal government.

TURKEY.—For a time the new Sultan, Mohammed VI, retained his predecessor's Cabinet with Talaat Bey as Grand Vizier and Enver Pasha as Minister of Foreign Affairs. On October 8 these corrupt officials and their associates resigned and fled from the country. The Grand Viziership was then for a few days held by Izzet Pasha, former Minister of War. On October 20 a **new cabinet** was announced with aged Tewfik Pasha as Grand Vizier and Izzet Pasha as Premier. Late in December, when the Young Turks, through their political organization known as the **Committee of Union and Progress,** planned to reinstate themselves in power, the Sultan dissolved the chamber and a new **liberal cabinet** was formed under the presidency of Prince Sabheddin. Early in March another dissolution of the parliament occurred owing to the fact that the Entente had refused to deal with its representatives, and, in consequence, new elections were held and a new cabinet was chosen with Damad Pasha as Grand Vizier and Foreign Secretary. All officials holding over from the Young Turk régime were ousted from office, Turkey again coming under the immediate influence of western Europe. The Grand Vivier headed the **Ottoman peace delegation,** the other members being Mustafa Reshid Pasha, ex-Minister of Foreign Affairs; Izzet Fuad Pasha, Under-Secretary for Foreign Affairs; Reshad Halim Bey, recently appointed Minister to Switzerland; Ghalib Kemali Bey, ex-Minister to Athens and Moscow and president of the Capitulation Commission; Reshid Bey, director of political affairs and personal representative of the Sultan, and Colonel Edib Bey. On

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June 29 the delegation was **dismissed** by the Peace Conference with the statement that the case of Turkey would be dealt with later.

GREECE.—Early in February Stephanos Skouloudis, former Premier, together with other members of his cabinet, were arrested, charged with treasonable conspiracy with their former royal master, Constantine, in attempts to destroy the state. — Premier Venizelos was successful in his efforts to liberate **Greek Asia Minor** and the **Aegean Islands** from alien rule, and active propaganda to this end received nation-wide support. On May 14, following the announcement by the powers that Greece had been made mandatary for the city of **Smyrna,** Greek forces were landed there. Subsequently A. Sterghiades was nominated as High Commissioner to this Mediterranean port. In view of a possible plebiscite it appears that Greek and British agents had previously endeavored to win the support of the native population. Through the action of the Peace Conference, where Greece was represented by Premier Venizelos and Foreign Minister Politis, Greece gained possession of the **Dodecanesian Islands** which on April 29 voted for union with her. A treaty of amity and friendship was concluded with Jugoslavia on April 18.

BALKAN AND DANUBIAN STATES. — **Albanian** patriots were hopeful that an independent Albanian state might yet be established. That the Albanians were not united is shown by the fact that the Peace Conference received petitions from Moslems, Murdites, Koritzans and from Albanians abroad, all of whom were in disagreement as to who should control. All groups, moreover, were dissatisfied with the frontiers established by the London Conference of 1913.—With the collapse of Austria-Hungary the **Rumanian** people reasserted themselves and ousted the pro-German Marghiloman Ministry. Following a short military administration under General Coanda, parliament was dissolved on November 25, new elections held and a new ministry chosen, headed by the former Premier, Bratiano, leader of the National Liberal party. The program of the new Government included, among other political and social reforms, universal suffrage, distribution of land to the peasantry by the expropriation of large estates and the incorporation within the kingdom of the Rumanian-speaking parts of Transylvania, Hungary (Banat), Bukowina and Bessarabia. On December 1 the National Assembly of **Transylvania** voted for union with Rumania on the basis of universal manhood suffrage, liberty of language, religious and civil rights and land and labor reforms; the official Pact of Union was approved by decree of King Ferdinand on January 10. During January and February serious disturbances occurred ending in open revolt against the Government; these were attributable to scarcity of food, industrial unrest, a demoralized national treasury and political propaganda. Almost constant warfare has been carried on with Soviet Russia and Bolshevist

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Hungary. Activity against the latter has been largely for territorial purposes. By royal decree of May 28 all Jews of Rumania were emancipated and were henceforth to enjoy every right of citizenship.—Soon after the surrender of **Bulgaria** to the Allies, Czar Ferdinand, after a reign of thirty-two years, abdicated in favor of his eldest son, Boris. Growing unpopularity with his people and fear of revolution were the causes of Ferdinand's action. King Boris III prevailed upon the Malnioff Ministry to retain office, but popular dissatisfaction with the Government and dynasty resulted in the young monarch's abdication on November 2 and the dissolution of his Government. A "peasant government" was at once established under the leadership of M. Stambulinsky, head of the Agrarian party, but its authority was disputed by a "council of regency" which took charge of affairs. Every effort is being made to gain Dobrudsha and an outlet to the Mediterranean.—Rumania's peace delegation was headed by General Theodoroff, Foreign Minister, and included Dr. Sakaroff, Minister of Commerce, Industry and Labor; M. Ganeff, Minister of Justice; M. Spanboulisky, Minister of Public Works; and M. Saranoff, Minister of Finance. Events in Serbia and Montenegro have centered in the creation of the new state of Jugoslavia.

IBERIAN STATES.—Unsettled political and economic conditions caused by party dissensions, high cost of living, labor unrest and republicanism, which rocked **Spain** in 1917-1918, brought the country to the brink of revolution during the years 1918 and 1919. Unable to meet the criticism directed against it, the **Maura Ministry,** which had been reorganized on October 8, resigned on November 9. It was succeeded by a Liberal ministry formed by **Count de Romanones** which declared itself in favor of a program of democratization and the maintenance of order. Within a week a crisis occurred and on November 17 a new cabinet was organized under **Marquis de Alhucemas,** which in turn fell from power on December 3. Reorganized by Count de Romanones, it continued to maintain itself until April. During the winter **serious outbreaks** occurred in various sections of the country, particularly in Barcelona, Madrid and Valencia. Bitter opposition and obstructionist tactics by deputies opposed to legislation favorable to labor led to the **suspension of the Cortez** on February 27. So serious did the situation become that on March 25 all Spain was declared under **martial law.** Confessing its inability to tranquilize Barcelona and to fulfil its constitutional obligations respecting the budget, the Romanones Liberal Government gave way in May to a coalition ministry headed by the ultra-Conservative, Señor Maura. This Cabinet was unable to win the support of parliament, largely because of the latter's opposition to Señor La Cierva, a notorious reactionary and Minister of Finance. This fact and alarming May Day demonstrations led to a crisis. Parliament was

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dissolved, and new elections, held on June 1, resulted in the return to the chamber of 233 Conservatives, 110 Liberals, 12 Reformists, 16 Republicans, 15 Regionalists (Catalonia), 5 Carlists, and 6 Independents. By many it was thought that the Ministry had been materially strengthened, but a bitter attack upon it by the Left on a charge of conducting the elections fraudulently led to its fall. The situation apparently has not been improved by the formation of a **Conservative Ministry** by Joaquin Sanchez Toca, confidential adviser of the King. — Political and social unrest which often took form in incipient revolts marked the administration of **President Paes of Portugal.** His action in causing the cabinet to be responsible to the executive, together with the enforcement of vigorous policies, aroused the violent opposition of the Monarchists, which culminated in his assassination on December 14. **Admiral Canto y Castro** succeeded him to the Presidency and the Ministry was reorganized under the leadership of **Tamajnini Barbosa.** A threatening royalist revolution broke out in January led by the picturesque Henrique de Paiva Conceiro, an opponent of republicanism who had previously made several attempts to restore monarchial government. The movement, discredited by former King Manuel, was finally crushed. On June 28 a new Ministry was formed with Señor **Cardoso** as Premier. Portugal was represented at the Peace Conference by Egar Moniz, a close friend of former President Paes.

SCANDINAVIAN KINGDOMS. — The Conservatives of **Sweden** have been considerably alarmed by the threatened spread of Bolshevism and unrest among certain elements of the Swedish population caused by unemployment and the food shortage. That Sweden is keenly interested in the final disposition of the **Aland Islands** is shown by its request on May 26 to the Peace Conference that the islanders be permitted to decide by plebiscite whether they desire to belong to Sweden or to Finland. On May 26 the Swedish parliament granted full **national suffrage to women;** since 1909 women had enjoyed municipal suffrage. In June the **Swedish Congress of Independent Socialists** at Stockholm voted (186 to 22) to join the "Third International at Moscow" and adopted a resolution favoring Bolshevist principles.— The **Norwegian Labor party** took similar action on June 10 and, in addition, passed a resolution insisting that the Norwegian government establish the right of asylum for political refugees. During the year the Norwegians have shared the same economic disadvantages as their neighbors. All the Scandinavian countries filed with the Peace Conference large claims for **damage to shipping.** The Norwegian Cabinet headed by Gunnar Knudson, no longer able to control the Storting, resigned early in February, the opposition thereby coming into power. —As the result of violent criticism from the Left, the **Danish Cabinet** headed by C. T. Zahle resigned on March 1; but after two weeks of

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fruitless endeavor to form a new ministry it resumed office. The Danish Government is opposed to a **plebiscite in Schleswig** if as a result non-Danish peoples should be incorporated in Denmark. By federal act of November 30, passed by the parliaments of Denmark and Iceland, the Danish Government recognized Iceland as an autonomous state. The King of Denmark is also King of Iceland and the latter's foreign affairs are to be administered by the former.

OTHER EUROPEAN COUNTRIES. — Upon the withdrawal of the enemy forces, the **Belgians** formed a new ministry composed of six Catholics, three Liberals and four Socialists, including the Socialist leader, Edward Anseele. The program of the new Government included universal suffrage, creation of an easier method of constitutional amendment, reform of the penal code and the establishment of a Flemish university. A spirited political contest was waged on the suffrage question, the Liberals and Socialists demanding "one man, one vote". Before the war the clergy had four votes and landowners and nobles had as many votes as they had estates. The 13th annual conference of the **Belgian Labor party** was held in Brussels in April. It was officially announced on May 17 that the estimated damage suffered by Belgium at the hands of Germany amounted to $7,600,000,000; of this sum $1,705,700,000 represents the losses suffered by Belgian industry both from destruction and from inactivity. A bill far-reaching in its import was introduced in the chamber by the Government on June 25, by which the management of the railways is placed in the hands of a self-governing body to be known as the **National Belgian Railways Administration.** This body will be responsible to parliament and its personnel will have the status of civil servants.—The political disturbances in **Luxemburg** resulted last January in the abdication of Grand Duchess Marie Adelaide in favor of her sister, Princess Charlotte Adelgonde. At the same time attempts were made to establish a republic. The plebiscite scheduled for May 4 for the purpose of determining the future form of government and to ascertain whether Luxemburg desired economic union with France or Belgium was postponed by act of the chamber.—Unemployment, food shortage and distress occasioned by the war led to threatened revolts in the **Netherlands,** and it was largely due to the personal popularity of Queen Wilhelmina together with the relaxation of the blockade following cessation of hostilities and the return of Dutch shipping (see *supra*, p. 70) that a revolution was prevented. Following the elections of July 3, 1918, a Conservative Cabinet was formed on August 30 by **Jonkheer Ruiys de Beerenbrouck,** governor of the province of Limburg. In November grave disturbances, often antimonarchial in character, were reported. The Government was further embarrassed by the presence of the former German imperial family. Severe criticism was directed at the Queen and her entourage by the

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Socialist leader, **Peter J. Troelstra,** who openly declared in parliament that the time had come for the workers to assume control of the government. Another deputy, David Wynkoop, went still further and demanded the immediate abdication of the Queen.—Relations between Belgium and Holland were strained when the former demanded that Limburg, Zeeland and a part of Staats Vlaanderen be surrendered to it. This demand was finally presented to the Peace Conference and was refused.—On December 11 Gustave Ador was elected President of **Switzerland.** In January economic conditions were reported to be worse than during the war.

XII. ASIA AND AFRICA

CHINA.—Even a declaration of war against the Central Powers did not bring to an end the civil strife which had been raging within the Republic of China. The restored Manchu Empire had scarcely been overturned and republican government reëstablished in July, 1917 (see RECORD, 1917, p. 77), before the first squadron of the Chinese fleet mutinied and joined with the seceded southern provinces of Kangtung, Kangsi, Kweichow, Hunan, and Szechuen, which had set up a rival government at Canton under the headship of **Dr. Sun Yat-Sen.** From this time on China suffered from the evil effects of civil war. The armies of the Canton government at first achieved notable successes but after March, 1918, the tide of battle fluctuated. Sun Yat-Sen compelled the provincial governors to obey his orders. He took control of the judiciary and prison departments, the Kwongsam railway and the surplus revenues of the salt *gabelle;* he also called an "Extraordinary Parliament" and formed a cabinet. At last, however, worn out by wrangles with his cabinet and military leaders he resigned in May, 1918, advising in his letter of resignation that the war against the northern forces be continued. Meanwhile the military governors of the neutral provinces, strongly supported by the business interests of the country, both north and south, were constantly urging peace. Such was the state of affairs when parliamentary elections were held in July, 1918, throughout the Republic, except in the rebellious provinces. The new parliament, in which the military party had an overwhelming majority, was formally opened on August 11 and in September **Hsu Chi-Chang,** a former Vice-President, was elected President. Inaugurated on October 15, he at once decreed a cessation of hostilities between the northern and southern provinces and urged that the energies of the Republic be devoted to industrial progress and social reform. This appeal was followed on December 2 by a memorandum from ministers of the allied governments to President Hsu Chi-Chang, urging immediate reconciliation of the warring factions. A similar document was simultaneously presented to the officials of the Canton government, with a statement

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that this action did not imply recognition of the independence of the southern government. A **conference** attended by representatives of both northern and southern China was accordingly arranged but after months of deliberation it was announced on May 16 that all efforts to effect a compromise had failed and that the conference was at an end.—Strained diplomatic relations with Japan developed soon after the opening of the Peace Conference. This grew largely out of two issues, *viz.*, the disposition of Chinese territory, especially the Shantung peninsula, and the determination of the Chinese delegation at Paris to publish certain "secret treaties" between the two countries. The Chinese peace delegation, composed of Lu Chieng-tsang, High Commissioner; Chen Ting Thomas Wing, ex-Minister of Agriculture; Hu Weh-teh, Minister at Paris; Alfred Sze, Minister to London; and Dr. Wellington Koo, Minister to Washington, asserted that Japan was endeavoring to dominate China. In proof of this statement they emphatically declared that Japan had vainly attempted to obtain the right to represent China at the Peace Conference, that, for this purpose, the Japanese Foreign Minister, in November, had requested that Japanese advisers be allowed to help formulate the Chinese proposals to be submitted at Paris and that the Chinese delegates had been warned not to disclose certain secret treaties, these treaties having been stolen from their baggage in their passage through Japan, on the way to Paris. All these charges were denied by the Japanese Government, but the treaties in question, with other Chinese-Japanese agreements, were subsequently published (see *supra*, p. 69).—The provisions of the Paris Conference relative to **Shantung** were directly responsible for the refusal of the Chinese plenipotentiaries to sign the treaty. They have aroused violent opposition in China and have been widely condemned elsewhere. A wave of anti-Japanese agitation is sweeping over the Republic, and industrial centers are boycotting Japanese goods. Meanwhile Japan is apparently making arrangements for her withdrawal from Chinese territory (see *supra*, p. 67).

JAPAN.—Early in August various parts of Japan were seriously disturbed by **riots** due to the high price of rice. These riots were accompanied by demonstrations against profiteering and luxury and assumed a socialistic character. The war brought unprecedented prosperity to Japan, but the poorer classes suffered greatly because of the high cost of living. During the riots many excesses were committed. At Nagoya 30,000 people besieged the governor's palace, demanding food. At Tokyo 5,000 people raided the business section and destroyed 200 stores and restaurants. It became necessary to close stores and theaters. Mobs attacked the police and the homes of the wealthy were the object of especial hatred. The government voted an appropriation to purchase rice to be resold at a mod-

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erate price and a number of the wealthy made large donations to purchase food for the poor. These disturbances were followed by strikes.—On September 29 the **Government of Count Terauchi**, formed in October, 1916, fell from power and **Mr. Kei Hara,** the leader of the Seiyukai, or Constitutional party, was named as his successor. The new Cabinet was constituted as follows: Prime Minister and Minister of Justice, Mr. Kei Hara; Foreign Affairs, Viscount Uchida; Home Affairs, Mr. T. Tokonami; Finance, Baron Takahashi; Education, Mr. T. Nakahashi; Agriculture and Commerce, Mr. Yamamoto; Communications, Mr. U. Noda; War, Lieutenant Fanaka; and Navy, Admiral Kato. This Ministry was the first to be presided over by a commoner and represents thoroughgoing party government. It met with great popular approval.—On December 18, the Minister of Interior announced that the government would bring in a bill for the **extension of suffrage** and a fuller measure of constitutional government. Since that time there has been considerable agitation for a more democratic suffrage, not only by students but by many politicians and members of the imperial diet. Mass meetings have been handled with great leniency by the government, the authorities being anxious not to seem oppressive. At present, out of a population of about 60,000,000, only 1,600,000 men can vote. The attitude of the government toward **labor unions** has been tolerant.—Early in August it was announced that the United States, Japan, Great Britain and France would coöperate in sending an expeditionary force to lend aid and support to the Czechoslovak army in Siberia and Russia (see *supra*, p. 120).—On February 28 a press dispatch from Peking stated that the Independence Committee representing **Koreans** in China had presented the American Minister with a petition urging that the United States intercede with the Peace Conference in behalf of Korean independence. Throughout the following months there has been great **unrest in Korea,** but all demonstrations in favor of independence have been severely repressed. In March a series of uprisings occurred; mob violence reigned in cities; means of communication were cut; and public officials were murdered. Japan at once increased her garrisons but by the middle of April the riots had developed into a **formidable rebellion.** A cablegram from Shanghai to the Korean National Association in San Francisco, filed March 31, stated that the Japanese were massacring people throughout the peninsula. Japanese **official explanations** stated that the mobs had increased their activities because of the lenient attitude of the government until open rebellion existed, and intimated that foreign propagandists, some of them missionaries, were largely to blame for these conditions. On May 15 the Japanese privy council met at Tokyo under the presidency of the Emperor and decided upon a **revision of the Korean government.** This revision called for civil instead of military government and also

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for a larger measure of local self-government when the Koreans should have abandoned their movement for independence. Early in March the Korean Independence party organized a provisional revolutionary government with headquarters in Manchuria and declared the **independence of Korea.** On April 27 a constitution of the **Korean Republic** was proclaimed by the provisional cabinet. It provided for a republican form of government, equality of citizens, religious liberty, freedom of speech and of the press, universal suffrage, compulsory education and military service and requested membership in the League of Nations. In reply to a protest against Japanese atrocities in Korea sent by certain churches in America, Premier Hara stated on July 10 that his government was investigating the alleged abuses and had been for some time perfecting plans for reforming the administration of Korea.—Japan's representatives at the Peace Conference were Marquis Saionzi, Baron Makino, Viscount Chinda, Mr. Matsui and Mr. Ijuin.

TURKEY IN ASIA.—In January the terms of a secret treaty concluded early in the war between France and Great Britain concerning the future of Asia Minor were made public. France was to assume direction of the destinies of Syria, Lebanon and Armenia Minor (that part of Armenia west of the Euphrates); Palestine was to be under international protection; while Mesopotamia and portions of the Arabian peninsula were to be under the supervision of Great Britain. The future of Armenia rests largely in the hands of the Peace Conference. — The restoration of a Jewish state in Palestine has been widely discussed.

OTHER ASIATIC AND AFRICAN STATES. — In a memorandum addressed to the Peace Conference on May 18 the **Persian parliament** indicated the desire of Persia to be completely autonomous. It declared that the Anglo-Russian agreements of 1907 and 1916 had worked great harm and requested that they, together with all other illegal, reactionary treaties and obligations, be cancelled. Incidentally Persia asked for a loan of $100,000,000 from the League of Nations with which to pay its debts and reorganize the state.—On February 20 Habibullah Khan, the Amir of **Afghanistan,** was assassinated. His third son, Amanullah Khan has assumed the throne. The late Amir was friendly to Great Britain, but since his death attacks on the British by the Afghans have occurred on the northwestern frontier of India.—In January the revolt of 10,000 Tafilet tribesmen in **Morocco** was quickly suppressed. General Berengner was appointed resident-general in the Spanish zone of Morocco.

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